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163

June 7, 1962

Elder Dam and irrigation project, Kans., in view of the farm surplus situation. pp. 9169-71

Sen. Allott inserted a resolution from R. J. Moses favoring the proposed Fryingpan-Arkansas project, Colo. p. 9222

5. FOREIGN TRADE. Sen. Long, Mo., inserted a statement by economics professors favoring the President's trade agreements bill. p. 9173

Sen. Allott spoke in favor of moving cautiously on the President's trade bill and inserted letters he has received on this subject. pp. 9222-3

6. CONSERVATION. Sen. Long, Mo., inserted and discussed an editorial on the importance of conservation to Mo. pp. 9173-4

7. PERSONNEL; EXPENDITURES. Received the report of the Joint (Byrd) Committee on Reduction of Nonessential Federal Expenditures for April. pp. 9158-61

8. ASSISTANT SECRETARY. Received from the State Department a proposed bill to authorize an additional Assistant Secretary of State; to Foreign Relations Committee. p. 9157

9. FOOD DISTRIBUTION. Received a GAO report on the food distribution program in D.C.; to Government Operations Committee. p. 9157

10. ELECTRIFICATION. Sen. Hruska criticized S. 2253, stating that it would give the Pacific Northwest priority for electric power that should also be available to Nebraska. pp. 9223-5

11. RESEARCH. Sen. Hruska inserted his speech at the field day for the Fort Robinson, Nebr., Beef Cattle Research Station. pp. 9225-7

12. ROADS. Sen. Chavez summarized the history of construction of the Inter-American Highway. pp. 9227-8

13. SOIL STEWARDSHIP. Sen. Humphrey spoke in commemoration of Soil Stewardship Week. pp. 9174-5

14. ATOMIC ENERGY. Sen. Gore explained and inserted correspondence regarding proposed amendments to the agreements between the U. S. and the European Atomic Energy Community. pp. 9175-8

15. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Interior appropriation bill is to be debated Mon. p. 9227

HOUSE

16. FARM PROGRAM. The Rules Committee reported a resolution for the consideration of H. R. 11222, the proposed Food and Agriculture Act of 1962. pp. 9231, ~~9238~~

Rep. Findley discussed the farm bill and criticized "the broad scope of Federal spending this bill would launch for recreation facilities, both publicly and privately owned, and the unanswered question of racial segregation in these facilities." pp. 9249-50

17. FOREIGN TRADE; TEXTILES. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 10788, to regulate imports of agricultural commodities." p. D477

18. FOREIGN AID. The Foreign Affairs Committee reported without amendment H. R. 11921, the proposed Foreign Assistance Act of 1962 (H. Rept. 1788). p. 9258

19. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 11523, to authorize the employment without compensation from the Government of readers for blind Government employees (H. Rept. 1787). p. 9258

The Rules Committee reported a resolution for the consideration of H. R. 11677, to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of such discrimination. pp. 9231, 9258

20. PUBLIC DEBT. The Ways and Means Committee reported without amendment H. R. 11990, to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act (H. Rept. 1789). p. 9258

21. HEALTH. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) with amendments H. R. 10541, to assist States and communities to carry out intensive vaccination programs. p. D446

22. CIVIL DEFENSE. Received from GAO a report on the review of policies and procedures established by the Office of Civil and Defense Mobilization, succeeded by the Office of Emergency Planning, for the use of excess [illegible]led materials by Federal agencies. p. 9258

23. ADJOURNED until Mon., June 11. p. 9258

ITEMS IN APPENDIX

24. FOREIGN TRADE. Extension of remarks of Rep. Gross inserting an article, "Small Businessmen Oppose Free Trade." p. A4187

25. RECLAMATION. Extension of remarks of Sen. Young, N. D., inserting a resolution urging early approval of the Garrison diversion unit, N. D. p. A4203

26. TEXTILES. Extension of remarks of Rep. Taylor discussing the problems of the domestic textile industry, saying, "We must face the fact that the textile import problem is still with us and further action is needed." pp. A4218-9

BILLS INTRODUCED

27. FARM LABOR. S. 3382, by Sen. Williams, N. J. (for hinself and others), to amend the Public Health Service Act so as to establish a program to assist in the construction of adequate sanitation facilities for migratory farm labor; to Labor and Public Welfare Committee. Remarks of Sen. Williams. pp. 9162-3

28. FARM LOANS. S. 3387, by Sen. Humphrey (for himself and Sen. McCarthy), to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such Act; to Banking and Currency Committee.

29. FOOD AND FIBER. S. J. Res. 197, by Sen. Humphrey, to authorize and request the President to appoint a bipartisan Commission to make a study of the total food and fiber requirements of the United States; to Agriculture and Forestry Committee. Remarks of author. p. 9165

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1786

CONSIDERATION OF H.R. 11222

JUNE 7, 1962.—Referred to the House Calendar and ordered to be printed

Mr. BOLLING, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 678]

The Committee on Rules, having had under consideration House Resolution 678, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 240

87TH CONGRESS
2D SESSION

H. RES. 678

[Report No. 1786]

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1962

Mr. BOLLING, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and points of order against said bill as they pertain to Public

Law 480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill as they pertain to Public Law 480, Eighty-third Congress. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11222, it shall be in order in the House to take from the Speaker's table the bill S. 3225 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11222 as passed by the House.

House Calendar No. 240

87TH CONGRESS
2D SESSION

H. RES. 678

[Report No. 1786]

RESOLUTION

Providing for the consideration of H.R. 11222, a bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. BOLLING

JUNE 7, 1962

Referred to the House Calendar and ordered to be printed

House of Representatives

THURSDAY, JUNE 7, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Timothy 2: 15: *Study to show thyself approved unto God, a workman that needeth not to be ashamed.*

Eternal God, in the midst of the discord and disorders of these strenuous and troubled times may we hold fast our freedom and keep inviolate our faith in the triumph of righteousness.

Grant that the credentials of our high vocation and the integrity of our character, as our country's honored and chosen Representatives, may never be called into question.

May we authenticate the reality and sanctity of our lofty mission by a clear vision of our responsibilities and by our passion to discharge them faithfully.

We pray that it may never appear or be said that the children of darkness and of communism are wiser and more zealous in this generation than the children of light and of democracy.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

TO PROHIBIT DISCRIMINATION ON ACCOUNT OF SEX

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 677, Rept. No. 1785), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GENERAL FARM LEGISLATION

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 678, Rept. No. 1786), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and points of order against said bill as they pertain to Public Law 480, 83d Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill as they pertain to Public Law 480, 83d Congress. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11222, it shall be in order in the House to take from the Speaker's table the bill S. 3225 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11222 as passed by the House.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 102]

Addonizio	Clark	Flood
Alford	Coad	Fogarty
Ashley	Colmer	Frazier
Ashmore	Curtis, Mass.	Hardy
Barrett	Daniels	Harrison, Va.
Bass, N.H.	Davis, Tenn.	Henderson
Blatnik	Dent	Hoffman, Mich.
Blitch	Devine	Horan
Boland	Diggs	Jones, Ala.
Bow	Donohue	Kilburn
Boykin	Dooley	Kitchin
Cederberg	Ellsworth	Loser
Celler	Evins	McMillan
Chiperfield	Fisher	McVey
Madden	Pilcher	Smith, Va.
Marshall	Powell	Spence
Meader	Rains	Steed
Michel	Reece	Stratton
Minshall	Riley	Thomas
Moeller	St. Germain	Tollefson
Norrell	Saund	Whitten
O'Konski	Seely-Brown	Williams
Peterson	Sibal	
Philbin	Smith, Miss.	

The SPEAKER. On this rollcall, 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

JO EVELYN LINDER, DAR CONTEST WINNER

(Mr. HARRIS asked and was given permission to address the House for 1 minute.)

Mr. HARRIS. Mr. Speaker, Miss Jo Evelyn Linder, daughter of James Linder, Hamburg, Ark., recently wrote for the regional contest sponsored by the Daughters of the American Revolution an essay in which our distinguished senior Senator JOHN L. MCCLELLAN was given a very fine and appropriate tribute.

The title of the essay is "The Mark of a Man." This essay was a winner in the regional contest and it permits her to enter the statewide contest in this important program.

I am inserting this fine essay in the Appendix of the RECORD and commend it to my colleagues.

COMMITTEE ON FOREIGN AFFAIRS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on H.R. 11921.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL SUBCOMMITTEE ON LABOR OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Special Subcommittee on Labor of the Committee on Education and Labor be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS TO THE ARMED SERVICES PROCUREMENT ACT

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I

call up House Resolution 667 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5532) to amend the Armed Services Procurement Act of 1947. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 667 provides for the consideration of H.R. 5532, a bill to amend the Armed Services Procurement Act of 1947. The resolution provides for an open rule with 1 hour of general debate.

It has been the purpose of the Procurement Act to cause the reestablishment of the advertised competitive method in the placement of the great majority of contracts for supplies and services. This method gives the best assurance that suppliers in a position to furnish the Government's requirement will have a fair and equal opportunity to compete for a share in the Government's business.

It is the purpose of this bill—H.R. 5532—to restore the rule of law to the military procurement processes and to add additional provisions which will strengthen the procurement methods because of the heavy incidence of negotiated procurement for new and highly technical weaponry and supplies.

H.R. 5532 is identical with H.R. 12572 which passed the House without dissent in the 86th Congress.

Mr. Speaker, I urge the adoption of House Resolution 667.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the consideration of the bill (H.R. 5532) to amend the Armed Services Procurement Act of 1947.

The bill comes to us with two rather interesting sidelights that we do not often see. First of all, it is the only bill I have ever seen come out of the Committee on Armed Services with a minority report. Second, I understand the bill is to be amended on the floor.

The bill does make some changes in procurement. It also, it seems from the minority report, raises certain questions that we should think about. On page 1 of the minority report we read:

In the bill H.R. 5532, a proposed amendment of title 10, United States Code, subsection 2304(a)(1), reads as follows:

"It is determined that such action is necessary in the public interest during a national emergency declared by the Congress for a period of six months following a national emergency hereafter declared by the President."

This proposed amendment changes the concept of the Executive order dated December 1950 which is presently being followed throughout the Government. However, H.R. 5532 would change this concept or interpretation of national emergency for the Department of Defense only. All other Government offices, agencies, and bureaus would continue to operate under the December 1950 national emergency provisions.

Mr. Speaker, there is a certain objection that we can all see in having different forms for different departments. Nevertheless, it is equally certain that the Department of Defense can only be regulated and can only have this bill passed through the Committee on Armed Services. On the other hand, there are certain things here that are a little disturbing. For instance, we read this:

Negotiation of the purchase or contract is otherwise authorized by law, or when in furtherance of small business, labor surplus area, or major disaster area programs, the agency head determines that supplies or services are to be procured from small business concerns as defined by the Administrator of the Small Business Administration, from concerns which will perform the contracts substantially within labor surplus areas as determined by the Secretary of Labor.

Some of us, I think, are disturbed by this. Is this going to make procurement for the Defense Department, which has the biggest procurement program in the Nation, a national WPA? I believe that the amendment that will be offered will change this. While I cannot discuss this amendment as I do not know very much about it, I am told that it will accomplish its purpose. For that reason, I do not think there is a very strong objection to this measure, but I think it should be examined and studied by Members of the House. I am sure a lot of questions will be asked and answered during the debate.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time.

Mrs. ST. GEORGE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. SMITH].

Mr. SMITH of California. Mr. Speaker, during my membership on the Rules Committee, my recollection is that all previous bills from the great Committee on Armed Services have always been reported unanimously by that committee. This is an exception to that rule and there is a minority report by three members. I believe that particularly the gentleman from California [Mr. GUBSER] had certain objections which according to testimony before the Rules Committee will be corrected by appropriate amendments.

The procurement field is complicated and difficult to understand. It is, however, one that I have been particularly interested in because of a group of outstanding business organizations in my congressional district.

Several questions have arisen of concern to my business people in connection with H.R. 5532. Time did not permit a detailed discussion of these problems when the matter was presented to the Rules Committee and, accordingly, inasmuch as I am not convinced that this particular measure is a step in the right direction, I would like to make the record clear at this time in case this body has to reconsider its action at some future date.

My people feel that H.R. 5532 is tinkering legislation without a clear need and in some regards mischievous. Ideas behind the bill explain some of its provisions better than the provisions themselves. One such idea appears to be resentment at the continuation of certain authority under the Presiden'ts proclamation of a state of emergency—No. 2914, December 16, 1950. The particular authority has been used to cover some longstanding policies—apparently endorsed by the Congress—with respect to special treatment of set-asides for labor surplus areas and small business. The labor surplus policy is described in detail in Armed Services Procurement Regulation, section I, part 8. Among other things, this exciting policy states:

But in no case will price differentials be paid for the purpose of carrying out this policy.

Assuming a firm in a surplus labor area will meet the price of some other firm, the authority permits negotiation of a contract with the surplus area firm.

Apparently, the bill approves of the special treatment for labor surplus areas. But in striking at the state-of-emergency authority now contained in title 10, United States Code, section 2304(a)(1)—per section (a) of H.R. 5532—it can only enable continuation of the policy by conferring a new authority through added language in title 10, United States Code, section 2304(a)(17). Except for some small R. & D. contracts, the labor surplus and small business purposes are the only uses being made by the Department of Defense of the state of emergency authority now in title 10, United States Code, section 2304(a)(1). These two changes therefore go all around the barn without adding anything constructive.

Several more mischievous conditions are imposed by the bill. Section (e), for example, while it has a constructive sound, uses rubber terminology and will likely increase administrative costs and delay procurements. For purchases over $2,500, it requires solicitation from the maximum number of qualified sources—an undefined quantity useful only for purposes of added hindsight criticism—and then imposes a statutory requirement for discussions with all responsible offerors within a competitive range.

The theory behind this is one thing. Practice would be another. At present, ASPR 3–101 requires that 21 separate considerations be applied to the evaluation of competitive proposals. These necessarily include such things as first, price; second, bidder responsibility; third, product quality; fourth, delivery; fifth, reliability of accounting practices and pricing techniques; sixth, small business policy; seventh, mobilization needs; eighth, facilities; ninth, labor supply; tenth, conflict with other work;

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued June 20, 1962
For actions of June 19, 1962
87th-2d, No. 100

CONTENTS

Appropriations.....8,24	Electrification.....15	Forest Service..... 8
Communications.....13	Employment.....11	Forestry.....12
Contracts.....4,16	Estes investigation..... 8	Legislative program.....16
Cooperatives.....21	Exports.....16	Roads..... 5
Dairy program.....19	Farm labor.....6,20	School lunch..... 7
Defense production....4,16	Farm loans..... 3	Soil bank.....22
Economics.....14	Farm program.....2,18	Sugar.....1,17
Education.....10	Foreign trade.....16,23	Textile imports.....23

HIGHLIGHTS: House passed sugar bill. House began debate on farm bill. Sen. Morse endorsed bill to revise school lunch apportionment formula.

HOUSE

1. SUGAR. Passed, 319-72, without amendment H. R. 12154, to amend and extend the Sugar Act. (See Digest 99 for a summary of the bill.) pp. 10145-6

2. FARM PROGRAM. Began debate on H. R. 11222, the proposed Food and Agriculture Act of 1962. pp. 10146-86.

3. FARM LOANS. Rep. Beckworth stated that he had "tried to obtain information as to the percentage of people who actually farm who receive loans," and inserted correspondence and tables from various sources in regard to these loans. pp. 10192-200

4. CONTRACTS. The Banking and Currency Committee reported with amendments H. R. 11500, to extend the Defense Production Act of 1950, as amended (H. Rept. 1839). p. 10203

5. ROADS. The "Daily Digest" states that the Public Works Committee "Met in executive session and ordered reported favorably to the House H. R. 12135 (amended), the Federal-Aid Highway Act of 1962." p. D490

SENATE

6. FARM LABOR. Sen. Williams, N. J., expressed concern over economic conditions of migratory farm workers and commended a new Calif. health program for farm workers. pp. 10220-1

7. SCHOOL LUNCH. Sen. Morse urged enactment of H. R. 11665 and S. 2442, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, stating that under the recommendations of this Department Oregon's share of the funds would rise from $893,000 to $916,000. p. 10266

8. ESTES INVESTIGATION. Sen. Tower expressed confidence that the combined leadership of Sens. McClellan and Mundt in the Estes inquiry "will assure its thoroughness and competence," and inserted an article commending them. pp. 10210-1

9. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963. Sen Dworshak was appointed an additional conferee on this bill, H. R. 10802. p. 10208

10. EDUCATION. Sen. Ervin commended the land-grant colleges and universities on their 100th anniversary and inserted an article by Dr. John T. Caldwell, chancellor of North Carolina State College, on the origin and accomplishments of the land-grant colleges. pp. 10211-3

11. EMPLOYMENT. Sen. Javits criticized the President's Committee on Equal Employment Opportunity as "reportedly suffering from a conflict of philosophies and a conflict of personalities," and inserted an article on the matter. pp. 10215-6

12. FORESTRY. Sen. Gruening inserted an article quoting the regional forester for the Tongass National Forest in Alaska as predicting that recreation would compete strongly with timber as one of Alaska's chief resources in the future. pp. 10218-9

13. COMMUNICATIONS. Continued debate on H. R. 11040, to provide for the establishment of a commercial communications satellite system. pp. 10223-57

14. ECONOMICS. Sen. Curtis criticized the President's recent speech at Yale, stating that it "in effect, rewrote the principles of economics," and inserted an editorial criticizing the speech, "Leftward Ho." p. 10261

15. ELECTRIFICATION. Sen. Morse inserted an article from the Northwest Ruralite on the furnishing of electric power to the Maritime Administration's Astoria Reserve Fleet by the West Oregon Electric Cooperative. p. 10266

16. LEGISLATIVE PROGRAM. Sen. Mansfield announced that possibly the latter part of this week bills would be considered to extend the Defense Production Act and to continue the authority for regulation of exports. p. 10260

ITEMS IN APPENDIX

17. SUGAR. Speech in the House of Rep. Roosevelt urging the enactment of H. R. 11706, to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms. pp. A 4575-6

Speech in House of Rep. Anderson, Ill., urging that a provision be inserted in the sugar bill "that in exchange for the receipt of a sugar allocation, a foreign producer would agree that dollar credits be used for the purchase of some of our surplus agricultural commodities." p. A4607

America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Hasmik Arzoo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Hasmik Arzoo. From and after the date of the enactment of this Act, the said Mrs. Hasmik Arzoo shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOGDAN KUSULJA

The Clerk called the bill (H.R. 4718) for the relief of Bogdan Kusulja.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Bogdan Kusulja shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Srike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Bogdan Kusulja. From and after the date of the enactment of this Act, the said Bogdan Kusulja shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELADIO ARIS (ALSO KNOWN AS ELADIO ARIS CARVALLO)

The Clerk called the bill (H.R. 9186) for the relief of Eladio Aris (also known as Eladio Aris Carvallo).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Eladio Aris (also known as Eladio Aris Carvallo) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

With the following committee amendment:

On page 1, at the end of the bill, change the period to a colon and add the following: "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

SUGAR ACT AMENDMENTS OF 1962

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Kansas [Mr. DOLE] to recommit the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1948, as amended.

Without objection, the Clerk will again report the motion to recommit.

The Clerk read as follows:

Mr. DOLE moves to recommit the bill H.R. 12154 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Page 25, line 3, strike out lines 3 through 23.

The SPEAKER. The gentleman from Kansas [Mr. DOLE] has demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 222, not voting 41, as follows:

[Roll No. 117]

YEAS—174

Addabbo	Conte	Hays
Alger	Corbett	Hechler
Andersen, Minn.	Cramer	Hemphill
Anderson, Ill.	Cunningham	Hiestand
Arends	Curtis, Mass.	Hoeven
Ashbrook	Curtis, Mo.	Hoffman, Ill.
Auchincloss	Denton	Hosmer
Avery	Derounian	Jensen
Ayres	Derwinski	Johansen
Baker	Devine	Jonas
Baldwin	Diggs	Judd
Baring	Dole	Kastenmeier
Barry	Dominick	Kearns
Bates	Dooley	Keith
Battin	Dorn	Kilgore
Becker	Durno	King, N.Y.
Beermann	Dwyer	Knox
Bell	Ellsworth	Kunkel
Berry	Feighan	Kyl
Betts	Fenton	Langen
Blatnik	Findley	Latta
Bolling	Fino	Lindsay
Bolton	Fisher	Lipscomb
Bow	Ford	McCulloch
Broomfield	Gary	McDonough
Brown	Gavin	McIntire
Broyhill	Goodell	McVey
Byrnes, Wis.	Goodling	Macdonald
Cederberg	Griffin	MacGregor
Chamberlain	Gross	Mahon
Chenoweth	Gubser	Mailliard
Church	Hall	Marshall
Clancy	Harrison, Wyo.	Martin, Mass.
Collier	Harsha	Martin, Nebr.
Colmer	Harvey, Ind.	Mason
	Harvey, Mich.	Mathias
Meader	Reece	Steed
Michel	Reuss	Taber
Miller, N.Y.	Rhodes, Ariz.	Teague, Calif.
Milliken	Riehlman	Thompson, N.J.
Minshall	Rogers, Tex.	Thomson, Wis.
Moore	Roush	Tollefson
Moorehead, Ohio	Rousselot	Utt
Morse	St. George	Van Pelt
Mosher	Saylor	Van Zandt
Nelsen	Schadeberg	Waggonner
Norblad	Schenck	Wallhauser
Nygaard	Scherer	Weaver
O'Konski	Schneebeli	Weis
Osmers	Schweiker	Westland
Ostertag	Schwengel	Whalley
Passman	Scranton	Wharton
Pelly	Seely-Brown	Widnall
Pillion	Shriver	Williams
Pirnie	Sibal	Wilson, Calif.
Poff	Siler	Winstead
Quie	Smith, Calif.	Young
Ray	Springer	Younger
	Stafford	

NAYS—222

Abbitt	Griffiths	O'Hara, Mich.
Abernethy	Hagan, Ga.	Olsen
Albert	Hagen, Calif.	O'Neill
Alexander	Haley	Patman
Andrews	Halpern	Perkins
Anfuso	Hansen	Peterson
Ashley	Harding	Pfost
Ashmore	Hardy	Philbin
Aspinall	Harris	Pike
Bailey	Harrison, Va.	Pilcher
Barrett	Healey	Poage
Bass, Tenn.	Hébert	Powell
Beckworth	Henderson	Price
Belcher	Herlong	Pucinski
Bennett, Fla.	Holifield	Purcell
Boggs	Holland	Rains
Boland	Huddleston	Randall
Bonner	Hull	Reifel
Brademas	Inouye	Rhodes, Pa.
Breeding	Jarman	Rivers, Alaska
Brooks, Tex.	Jennings	Rivers, S.C.
Buckley	Joelson	Roberts, Ala.
Burke, Ky.	Johnson, Calif.	Roberts, Tex.
Burke, Mass.	Johnson, Md.	Rodino
Burleson	Johnson, Wis.	Rogers, Colo.
Byrne, Pa.	Jones Ala.	Rogers, Fla.
Cahill	Jones, Mo.	Rooney
Cannon	Karsten	Roosevelt
Carey	Karth	Rosenthal
Casey	Kee	Rostenkowski
Celler	Kelly	Rutherford
Chelf	Keogh	Ryan, Mich.
Clark	King, Calif.	Ryan, N.Y.
Coad	Kirwan	St. Germain
Cohelan	Kitchin	Santangelo
Cook	Kluczynski	Scott
Cooley	Kornegay	Selden
Corman	Kowalski	Shelley
Curtin	Landrum	Sheppard
Daddario	Lane	Shipley
Dague	Lankford	Short
Daniels	Lennon	Sikes
Davis, John W.	Lesinski	Sisk
Dawson	Libonati	Slack
Delaney	McDowell	Smith, Iowa
Dent	McFall	Smith, Miss.
Dingell	McMillan	Smith, Va.
Donohue	McSween	Spence
Downing	Mack	Staggers
Doyle	Madden	Stephens
Dulski	Magnuson	Stratton
Edmondson	Matthews	Sullivan
Elliott	May	Taylor
Everett	Miller, Clem	Teague, Tex.
Evins	Miller, George P.	Thomas
Fallon	Mills	Thompson, Tex.
Fascell	Moeller	Thornberry
Finnegan	Monagan	Toll
Flynt	Montoya	Trimble
Fogarty	Moorehead, Pa.	Tuck
Forrester	Morgan	Udall, Morris K.
Fountain	Morris	Ullman
Friedel	Morrison	Vanik
Fulton	Moss	Vinson
Gallagher	Multer	Walter
Garmatz	Murphy	Watts
Gathings	Murray	Whitener
Giaimo	Natcher	Whitten
Gilbert	Nedzi	Wickersham
Gonzalez	Nix	Willis
Granahan	Norrell	Wright
Grant	O'Brien, Ill.	Zablocki
Gray	O'Brien, N.Y.	Zelenko
Green, Oreg.	O'Hara, Ill.	
Green, Pa.		

NOT VOTING—41

Adair	Boykin	Davis, James C.
Addonizio	Bray	Davis, Tenn.
Alford	Brewster	Dowdy
Bass, N.H.	Bromwell	Farbstein
Bennett, Mich.	Bruce	Flood
Blitch	Chiperfield	

Frazier
Frelinghuysen
Garland
Glenn
Halleck
Hoffman, Mich.
Horan
Ichord, Mo.
Kilburn
King, Utah
Laird
Loser
Merrow
Moulder
Riley
Robison
Roudebush
Saund
Stubblefield
Thompson, La.
Tupper
Wilson, Ind.
Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Frelinghuysen for, with Mr. Davis of Tennessee against.

Mr. Bass of New Hampshire for, with Mrs. Riley against.

Mr. Bray for, with Mr. Farbstein against.

Mr. Alford for, with Mr. Saund against.

Mr. Laird for, with Mr. Brewster against.

Mr. Kilburn for, with Mr. Loser against.

Until further notice:

Mr. Addonizio with Mr. Adair.

Mr. Ichord of Missouri with Mr. Bennett of Michigan.

Mr. King of Utah with Mr. Tupper.

Mr. Frazier with Mr. Halleck.

Mr. Yates with Mr. Merrow.

Mr. Stubblefield with Mr. Bromwell.

Mr. Thompson of Louisiana with Mr. Bruce.

Mr. Dowdy with Mr. Robison.

Mr. James C. Davis with Mr. Horan.

Mr. Flood with Mr. Glenn.

Mr. Moulder with Mr. Hoffman of Michigan.

Mrs. Blitch with Mr. Wilson of Indiana.

Mr. Boykin with Mr. Chiperfield.

Mr. SHELLEY and Mr. LANE changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. BALDWIN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 319, nays 72, not voting 46, as follows:

[Roll No. 118]

YEAS—319

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andrews
Anfuso
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Belcher
Bell
Bennett, Fla.
Berry
Betts
Boggs
Boland
Bolling
Bolton
Bonner
Brademas
Breeding
Brooks, Tex.
Broyhill
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Church
Cohelan
Collier
Colmer
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Daddario
Dague
Daniels
Davis, John W.
Dawson
Delaney
Dent
Derounian
Dominick
Donohue
Dooley
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Everett
Evins
Fallon
Fascell
Fenton
Finnegan
Fino
Fisher
Flynt
Ford
Forrester
Fountain
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Goodling
Granahan
Grant
Gray
Green, Pa.
Griffin
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harvey, Ind.
Harvey, Mich.
Hays
Healey
Hébert
Henderson
Herlong
Hoeven
Holland
Hosmer
Huddleston
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kee
Keith
Kelly
Keogh
King, Calif.
King, N.Y.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lipscomb
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
McSween
McVey
Macdonald
Mack
Madden
Magnuson
Mailliard
Martin, Mass.
Martin, Nebr.
Mathias
Matthews
May
Meader
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Monagan
Montoya
Moore
Morehead, Ohio
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norbald
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pirnie
Poage
Poff
Price
Purcell
Rains
Randall
Reece
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal
Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Sullivan
Taylor
Teague, Calif.
Thomas
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Waggonner
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Winstead
Wright
Younger
Zablocki
Zelenko

NAYS—72

Alger
Andersen, Minn.
Anderson, Ill.
Ashbrook
Ashley
Baring
Beermann
Blatnik
Bow
Broomfield
Brown
Casey
Chiperfield
Clancy
Clark
Cook
Curtis, Mo.
Denton
Derwinski
Devine
Diggs
Dingell
Dole
Dorn
Ellsworth
Feighan
Findley
Fogarty
Goodell
Green, Oreg.
Gross
Harsha
Hechler
Hemphill
Hiestand
Hoffman, Ill.
Johansen
Kastenmeier
Kearns
Kilgore
Kyl
Lindsay
MacGregor
Mahon
Marshall
Michel
Minshall
Moeller
Morris
O'Konski
Pillion
Powell
Pucinski
Quie
Ray
Reuss
Rogers, Tex.
Roosevelt
Rostenkowski
Roush
Rousselot
Rutherford
Saylor
Schadeberg
Scherer
Shipley
Taber
Thompson, N.J.
Thomson, Wis.
Tollefson
Vanik
Young

NOT VOTING—46

Adair
Addonizio
Alford
Bailey
Bass, N.H.
Bennett, Mich.
Blitch
Boykin
Bray
Brewster
Bromwell
Bruce
Coad
Davis, James C.
Davis, Tenn.
Dowdy
Farbstein
Flood
Frazier
Frelinghuysen
Garland
Glenn
Gonzalez
Halleck
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Kilburn
King, Utah
Laird
Loser
Mason
Merrow
Moulder
Riley
Robison
Roudebush
Saund
Stubblefield
Teague, Tex.
Thompson, La.
Tupper
Wilson, Ind.
Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Laird for, with Mr. Bray against.

Mr. Loser with Mr. Adair.

Mr. King of Utah with Mr. Robison.

Mr. Brewster with Mr. Halleck.

Mr. James C. Davis with Mr. Frelinghuysen.

Mrs. Riley with Mr. Bruce.

Mr. Saund with Mr. Wilson of Indiana.

Mr. Holifield with Mr. Kilburn.

Mr. Frazier with Mr. Tupper.

Mr. Farbstein with Mr. Glenn.

Mr. Ichord of Missouri with Mr. Roudebush.

Mr. Alford with Mr. Bennett of Michigan.

Mr. Bailey with Mr. Merrow.

Mr. Davis of Tennessee with Mr. Horan.

Mr. Moulder with Mr. Garland.

Mr. Dowdy with Mr. Bass of New Hampshire.

Mr. Yates with Mr. Hoffman of Michigan.

Mr. Stubblefield with Mr. Bromwell.

Mr. Thompson of Louisiana with Mr. Mason.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENTS

Mr. COAD. Mr. Speaker, I was unavoidably detained and was not able to vote on the last rollcall. Had I been present, I would have voted "yea."

Mr. BAILEY. Mr. Speaker, I was absent from the floor on the last rollcall. Had I present, I would have voted "yea."

CORRECTION OF ROLLCALL

Mr. MACDONALD. Mr. Speaker, on rollcall No. 115, on June 18, 1962, a quorum call, I was recorded as absent. I was present, and answered to my name. I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FOOD AND AGRICULTURE ACT OF 1962

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 678, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and points of order against said bill as they pertain to Public Law 480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill

and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill as they pertain to Public Law 480, Eighty-third Congress. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11222, it shall be in order in the House to take from the Speaker's table the bill S. 3225 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11222 as passed by the House.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, ordinarily when I have charge of a rule I do not argue the merits of a bill. The rule on this bill is quite clear. Mr. Speaker, this resolution makes in order the consideration of the very controversial farm bill. The rule provides for lengthy general debate, 6 hours. It provides for waiving points of order against the provisions that modify Public Law 480. It is, otherwise, an open rule.

Mr. Speaker, it is customary in the House Chamber when a Member representing a city district has the temerity to discuss agriculture to assume that obviously because he represents a city, he cannot know anything about agriculture. I notice, however, that when we have other matters of legislation—perhaps labor legislation—that we suddenly have a great many farm boys who are experts on labor. I happen to represent a city, the city of Kansas City, Mo. The reason that I have always been interested in agriculture is that I can tell from the Federal Reserve Retail Sales Index how agriculture in our area is doing. As soon as agriculture is more prosperous, that fact shows up in the figures on department store sales. Also, I have had the privilege of serving for a number of years on the Joint Economic Committee. I have served on several occasions as chairman of its Subcommittee on Foreign Economic Policy. On one occasion we spent a number of years dealing with what we call United States-Soviet economic comparisons. We discovered rather earlier than many people in this country that the Soviet Union was capable of doing a great many things quite well, not just in the field of rockets, but in various other fields such as heavy industry.

Mr. Speaker, the one great flaw in the Communist system to date has been its inability to master the production of agricultural commodities. We see famine in China; we see agricultural difficulties still in Russia, more than 40 years after the so-called revolution. We, on the other hand, are embarrassed by our riches. We are made to appear in the eyes of the world as something close to idiots. We have had a greater technological revolution in agriculture than we have had in any field. We in this Congress, we in the U.S. Government, under a whole array of administrations, have been unable to turn this great richness into a positive asset. The reason that we have not turned it into a positive asset is that some people have thought that we could have our cake and eat it too.

We in the cities have pretty consistently supported farm legislation. We have supported legislation which we thought would benefit the farmer because we recognize that the farmer is a market for our manufactured goods. But we can no longer continue supporting both the farmer and the surpluses that the farmer produces.

I choose to speak on this bill because this is the first bill on agriculture in a very long time which attends to both the problems. It attempts to give the farmer an income floor. I do not propose to go into the details of all the titles, but it very clearly is intended to give the farmer a decent floor under his income. But, beyond that, it moves to eliminate the surpluses, the surpluses which are a glut on our market, which are a glut on the world market, and which are an embarrassment to us in foreign affairs. Think what the people around the world think of the United States when they look at our agricultural program; the greatest technological revolution of modern times, the U.S. revolution in agricultural production, turned into a curse because we have not been able to manage it, turned into a curse which overhangs the domestic market, which costs the general taxpayers literally billions of dollars over a period of time and makes us ridiculous in the world, a world in which hundreds of millions of people starve and we allow our surpluses to deteriorate; a world in which they read of speculators manipulating to get illgotten gains.

It seems to me very clear—and this is the reason I must speak on this bill—that this may very well be our last chance to get an effective agricultural program.

If in the debate on this issue it becomes a purely partisan issue, it seems to me that there will be a real revolt of the taxpayers of this country. Farmers are important, but they represent a decreasing segment of the population. A smaller and smaller number of farmers produce more and more. And unless we here in the Congress and in the executive branch are wise enough to provide a solution which will give to the farmer a floor but at the same time prevent these insane surpluses, we will not have an agricultural program for many more years. I would regret to see that day come. But these surpluses, this expense, will soon be too much.

The reason I very strongly support this resolution and this bill is that I feel that this particular bill which this resolution makes in order, for the first time in many years, is a realistic approach to solving a problem which is critical on the domestic front and equally critical in the foreign field.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN. Mr. Speaker, I yield myself 10 minutes.

(Mr. BROWN asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, my good friend and distinguished colleague on the Rules Committee, the gentleman from Missouri [Mr. BOLLING], has clearly explained this rule. As a Representative who comes from not only a great agricultural district, but also from a great industrial district, and as one who has for many years owned and operated several fairly good Ohio farms, I welcome the gentleman from Missouri as one of those who understands the problems of agriculture. However, I should like to remind him, because I have a warm spot in my heart for Kansas City—that is where I buy my feeder calves, out in the Kansas City market, and I am sure the gentleman is well aware of that great livestock market in his home city—that he is incorrect in his statement that if this legislation is not enacted we will not have any farm program for a long while to come, because, unless this legislation is enacted, I understand, the Agricultural Act of 1958 will remain in effect, and therefore we will continue under the present law now on the statute books.

I have read and studied the report on the bill we have before us, and have listened to the testimony in the Rules Committee, and in my opinion this particular measure is one of the worst legislative monstrosities which has been brought to the floor of this House in many and many a year; in fact, it is such a poorly drawn and such a questionable measure that the Committee on Agriculture, under the dominant leadership of the gentleman from North Carolina—and he is a dominant figure, and centainly anyone who could put over this sugar bill that just went through the House has a great deal of leadership and considerable dominance—that the gentleman's own committee gagged on this bill three times before it was possible to obtain a sufficient number of votes to report the bill out of committee. Even then it was reported by the margin of but one vote, and cloakroom whispers have it that that vote was obtained with the understanding the reluctant gentleman who voted to report the bill would not have to support the measure when it came to the floor.

Some of us have served in the Congress for a considerable number of years have learned to rely more or less on what we call the grapevine telegraph. Up here on Capitol Hill it carries whispers and rumors and stories about what is going to happen in connection with various legislative bills brought up for attention on the floor of this body. The grapevine telegraph has been sounding off rather loud and clear in the last 24 or 48 hours that when we reach the proper place in the consideration of this bill, under the 5-minute rule, some of the leaders of this House, or at least men of great substance and dominating influence, will rise in their places and offer certain amendments to strike out

of this measure some of the controversial provisions now contained in it, in the belief and on the theory that after their amendments are accepted it will not be too difficult to get the leadership of the Committee on Agriculture to accept some of these amendments under present conditions. I say this because the whispers have had it that this measure has been in trouble for some time here in the House, which is perhaps the reason the measure was not called up as originally scheduled last week, but instead consideration was put over until this week so certain arrangements could be made, to-wit, for the offering of certain amendments that will be adopted here to sweeten up this rather obnoxious legislation as much as it can be sweetened up, so to get a sufficient number of votes to pass it here on the floor of the House and send it to conference where—and I am sure you can depend upon this—the plan will be to reinstate all of the provisions of the present measure and to give to bureaucratic government here in Washington, and specially to the Secretary of Agriculture, Mr. Freeman, if you wish to name names, the power, the authority and the means to dominate and to control the activities on every farm, almost without exception, through the length and breadth of our beloved America.

That is exactly what will be done. And, of course, in my opinion, any person who believes in liberty and freedom—not for the farmer but for all Americans, should vote against this bill. Remember, if we can take liberty and freedom away from those who till the soil, the next step will be to take liberty and freedom and the right to conduct their own business, away from others who are engaged in other forms of free enterprise here in America. If you vote for this kind of legislation you will be spelling the beginning of the end of that which we have always held precious here in this Republic, from the days of our Founding Fathers, the free enterprise system under which a man might go out on his own, make good, and take his losses or his winnings, as they may come his way, according to his ability, his willingness to work, and to do that which is necessary to make a success in life.

Personally, I do not want a controlled agriculture. Personally, I do not believe any one bureaucrat in Washington should be given the power and the authority contained in this bill, because if you will read this measure carefully, you will find, in paragraph after paragraph, in section after section, there is nothing but grants of power and authority—that "the Secretary may determine"; that "the Secretary may do this or that"; that "the Secretary may decide"; that "in his discretion the Secretary shall have the authority to do so-and-so." Just read the measure and then counsel with your own conscience, and not with this horde of lobbyists running around Capitol Hill in support of this legislation—and decide for yourself just how you should vote.

While I am at it, I would like to say something else that has been on my chest for a good while. In all the years I have been here, I have never seen a session of the Congress in which there have been more lobbyists at work on Capitol Hill than during this particular session. I served on the special House committee that investigated lobbying activities a few years ago, and I would like to add, I am convinced, from my experience and my knowledge, that the greatest lobby we have at work in America today is not private enterprise—it is not some special interest—it is the Government of the United States, and the various agencies and departments thereof, who do their lobbying at the expense of the taxpayer in an effort to control, influence, and direct legislative activity here on Capitol Hill so such public officials may continue to obtain and wield more and more power over the people of America.

The time has come in my opinion, in connection with this particular piece of legislation that we demonstrate our independence and vote it down, just to convince those who seek more and more power that the Congress of the United States will protect the proper interests not only of the American people generally, but of the individual citizen as well, by refusing to grant more and greater dictatorial power to Washington bureaucracy, by refusing to centralize more power in the Government here in Washington and by saying plainly, we will decide for ourselves, and permit others to decide for themselves, what their actions and course of conduct may be in connection with agriculture or any other proper activity.

Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from Iowa for a unanimous-consent request.

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and include extraneous material.)

Mr. SMITH of Iowa. Mr. Speaker, under existing law, the 1958 Feed Grains Act, which was in effect in 1959 and 1960, will spring back into effect unless this Congress passes other legislation. This is the approach under which the Billie Sol Estes type operations grew and grew at Government expense. Every bushel of grain sorghum in those bins was grown under a no-allotment approach. If that law comes back into effect, we can expect to see a Billie Sol type structure at every corner.

Last year we passed the emergency feed grains bill, which suspended the 1958 act and has reduced cost to taxpayers, increased farm income and provided a market for some grain that was in storage. While this kind of a program cannot operate successfully after the carryover is reduced to normal, it could operate successfully for 1 or 2 more years.

While neither the farmers nor the taxpayers should want to go back to the low support-no allotment 1958 act that ran up Government costs and overloaded Government bins, I think the most outstanding producers of food in the world are entitled to another year under a voluntary program before holding a referendum.

I am proposing an amendment which would prevent the use of history as the sole criterion for determining allotments, and allotments must be adjusted in any permanent program. There is not adequate time between now and August 20 to pass this bill, adjust allotments, disseminate full information as to its effect on each farm, and prepare for a referendum. I have also prepared an amendment which would make the program voluntary for next year, and I urge my colleagues to favorably consider these proposals.

I am in favor of amending farm legislation to help make supply balance with demand so that farmers will not be penalized so much for being efficient producers and so as to reduce costs to the taxpayers at the same time. This kind of legislation can be developed but as a basis, we need to have the facts concerning existing legislation on basic commodities. There has been a great deal of talk about the feed grains problem and we do have such a problem, but I think it has been exaggerated in comparison to other crops.

The volume of feed grains produced and needed in this country is great because they provide the basic source of nutrients that are converted in protein products such as meat, poultry, and dairy products; however, the cost in relation to value is not as great as on some other commodities. I have obtained calculations of these costs and urge my colleagues to study them while considering alternate programs. The primary source of these figures is the Library of Congress. They are as follows:

COST OF PRICE SUPPORTS IN RELATION TO VALUE OF PRODUCTION IN RECENT PERIODS

In the fiscal year 1960–61 realized losses on CCC inventory transactions, including resealing and interest expenses (under accounting procedures adopted June 30, 1961), plus export subsidies and Section 32 funds used for price support operations and value of production for feedgrains, wheat, and cotton, were as follows:

	CCC inventory losses and subsidies	Value of production	Price support costs as a percentage of value of production
	Millions	*Millions*	
Feed grains	$452	$5,372	8.4
Wheat	239	2,253	10.6
Cotton	330	2,634	12.5

Sales of wheat and other products for local currencies under title I of Public Law 480 are not included as a part of Government costs in the above figures. Wheat price support costs especially would have been much higher if the cost of Public Law 480, title I, sales had been included.

In 1961 cash receipts from the sale of feed crops, livestock, and livestock products totaled $22.1 billion. Feed grain price supports (and storage programs) have stabilized and prevented further declines in all feed crop and livestock prices.

Feed grain price support costs in 1961 were only 2 percent of the value of the feed crops, livestock, and livestock products marketed.

In the 3-year period 1959–61, price support costs and value of production for feed grains, wheat, and cotton, were as follows:

	Average annual price support costs	Average annual value of production	Price support costs as a percentage of value of production
	Millions	*Millions*	
Feed grains	$439	$5,623	8
Wheat	250	2,112	12
Cotton	315	2,512	12

The above figures are comparable to those for 1960–61 and do not include the cost of Public Law 480, title I, sales.

The cost of feed grain price supports for this 3-year period as a percentage of the value of feed crops, livestock, and livestock marketed is 2 percent.

In the 9-year period 1953–61 price support costs averaged slightly lower for both feed grains and cotton as a percentage of the value of their production than in the most recent years. The 9-year average price support costs and value of production of feed grains, wheat, and cotton, were as follows:

	Average annual price support costs	Average annual value of production	Price support costs as a percentage of value of production
	Millions	*Millions*	
Feed grains	$296	$5,824	5
Wheat	233	1,994	12
Cotton	195	2,502	8

The 9-year average cost of feed grain price supports was only about 1 percent of the value of feed crops, livestock, and livestock products marketed.

Estimated costs of price support programs for 1963 as a percentage of value of production

	Percent
Cotton	11
Rice	17
Tobacco	1
Peanuts	13.5
Wheat:	
No new legislation, return to 1960 program	43
President's proposal:	
(1) No credit for sales from CCC stocks	33
(2) After credit for CCC sales from stocks	15
Feed grains:	
No new legislation, return to 1960 program	13
President's proposal, mandatory program:	
(1) No credit for sales from CCC inventory	9.5
(2) After credit for CCC sales from stocks	1
Dairy:	
No new legislation	11
President's proposal	5.6

These estimates take into account only the additional costs of continuing price supports for 1963 and omit the carrying and handling charges on stocks acquired in earlier years.

Although not covered in the letter, using a similar approach, cost of continuing the current voluntary feed grain program for 1963, with no credit for sales from CCC stocks would be about 15 percent of the value the feed grains produced, after credit for CCC sales the cost would be about 8 percent of the value of feed grains produced and about 2 percent of the value of feed crops, livestock, and livestock products marketed.

(In estimating the cost of feed grains price support programs for 1963, U.S.D.A. assumed even higher yields than those obtained in 1961 with the most favorable weather in 30 years. Had they used lower yield estimates, price support costs would have been estimated lower for all alternative feed grain programs.)

Mr. BROWN. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, yesterday morning when the most amicable chairman of the House Committee on Agriculture was up in the Rules Committee, I said: "Well, good morning, Mr. COOLEY; what have you this morning?"

He said: "I have a good bill here this morning."

I said: "It will be refreshing to have a good bill. This is the first one you have brought us this year."

He said: "I agree with you."

I do not know whether he quite understood the full import of his statement or not, but I could only interpret that to mean that he thought the agriculture bill he brought there was not very good either. He may have some explanation to make in the colloquy which will follow here.

I regret I heard only part of what the gentleman from Missouri had to say. I was called off the floor, and I did not hear all of his remarks. But he commenced his remarks by way of making an explanation as to why, representing a metropolitan area, he took the floor to defend or to explain a piece of farm legislation. That is entirely in conformity with the format of this administration. That is, to have persons without practical experience speaking for an industry or submitting economic advice. Few if any of the economic advisers to the President have ever had the responsibility of meeting a payroll or securing necessary financing. So I think it is entirely consistent that a Member from the city should undertake to explain a farm bill.

I am sure it will be no surprise to Members of the House when I announce my opposition to this bill. It naturally follows that I would be opposed to the rule but I know from a practical standpoint it would be futile to oppose the adoption of the rule.

I deplore the cynical statements that have been made by persons high in the administration and persons close to the administration that all opposition to this discriminatory bill stems from purely partisan politics. On several occasions Members have stood in this well to beg the House not to approve legislation that they described as discriminating against the area that they represent. I submit, Mr. Speaker, there has never been a bill that has been more discriminatory, more arbitrary, and more adverse to the national interest than is this so-called Food and Agricultural Act of 1962.

Historically, why do we have a farm program? There are three basic reasons: First, to stabilize farm income; second, to keep supply and demand in a reasonable balance; and, third, to preserve through a normal granary plan a reasonable amount of food reserve. It appears now there may be a fourth reason for this farm program; that reason being to further extend the big brother policy to agriculture. We have recently seen this administration inject the coercion of the Executive into the price and wage field; we have been warned that it will seek the power to arbitrarily establish tax rates; and so there is every reason to believe that this bill represents a further manifestation of Executive power thrust, now in the management of agriculture.

You may say that this is purely a partisan statement. That is simply not true. I think it is self-evident in the majority report that the usual reasons for an agricultural program are absent in the justification for this bill. Let us take the feed grain section. There are approximately 102 million acres annually planted to feed grain. This bill would provide for a 20-percent mandatory reduction in those acres, which would mean that approximately 23 million acres would be forced out of production. But what will go out of production under the present progam? Under existing contracts, nearly 27 million acres are out of production under the soil bank program, and 25 million acres were voluntarily retired under the feed grain program of 1961, for a total of 45 million acres that have been voluntarily taken out of production. If this bill becomes law, the soil bank contracts commence to retire, and the base acreage eligible for planting, becomes mandatory instead of voluntary. The only possible conclusion is that there will be actually less acres taken out of production under the bill than was diverted in 1962.

I mentioned discrimination. In order to pass this bill, it is quite evident that the administration was compelled to agree to a so-called deficit-area provision. This is a nebulous authority given to the Secretary to designate certain States as deficit feed grain States, and under this bill they would be exempt from the mandatory feed grain provision. These deficit States total 32, many of which are located in the South and on the eastern seaboard. By setting out this large block of States and retaining the restrictive features of this bill to 18 largely Midwestern States, apparently the administration hoped to be able to obtain the necessary votes to complete their sacking of agriculture. There was a rumor about this Chamber yesterday that even the deficit area provision was not enough to muster the necessary votes, and that the original 25-acre exemption in the bill had been increased to 40 acres. This was supposed to entice enough other votes to secure passage of the bill. There may be other amendments also, just for a cushion on the vote.

An example of how this discrimination will work is very simple. Livestock or dairy farmers in Colorado or Wisconson or Oklahoma that raise all of their feed can continue to operate as usual. A

farmer of similar operations in Kansas, Missouri, and seven other Midwestern States will be compelled to reduce his feed grain production to 20 percent, just because he did not elect to farm in one of the 32 magic States.

Finally, on feed grains. I am one Member that has refrained from the current sport of reciting Billie Sol Estes stories on the floor of the House. Frankly, I must admit that I have enjoyed some of the references that have been delivered from this well, but I did not think these stories reflected any credit on the great American industry of agriculture. Now there has been an effort on the part of various persons in this administration to twist various findings in the Estes case into support for this bill. I submit, Mr. Speaker, that if this bill is passed the stage will be set for many other Billie Sol Estes conspiracies. As long as a feed grain program remains voluntary, there is no incentive nor any motivation for capitalizing on feed grain acreage allotments If this bill passes, immediately every one of the 100 million acres of feed grain allotments will become attractive prizes and fair game for another Billie Sol Estes. His name may not be Billie Sol Estes, and he may not be from Texas, his exploitation may not cover all the front pages of the daily press, but you may be sure there will be some ingenious operator who will capitalize on the premiums related to these acreage allotments.

In respect to wheat. Wheat has become the favorite whipping boy for all of the adversaries of agriculture. Because of most unusual climatic conditions that have prevailed in the wheat-producing areas for the past 5 or 6 years, plus the trespass of 5,000 new farmers a year into the wheat-producing industry, we have accumulated what has been described, and we recognize to be, a considerable surplus. And these 5,000 new wheat farmers have come from States which historically have not been wheat-producing areas. Last year this administration proposed a 10-percent cut in all wheat allotments. I supported that proposal because I recognized our wheat supply was approaching an unmanageable surplus, but I vehemently object to subjecting wheat producers to an additional 10-percent cut when we have not even harvested one crop from the program we passed last year.

There is every reason to believe we have turned the corner on the years of miracle yields per acre due to ideal weather conditions. It was suggested to the Rules Committee that the Oklahoma crop was down 40 million bushels this year. Some reliable spokesmen from Kansas have estimated that our crop will be from 65 to 100 million bushels less than we harvested in 1961. That would be approximately a 30-percent reduction in Kansas wheat production. I think it is reasonable to assume that this is going to be generally the pattern clear across the Wheat Belt.

If this becomes a reality, and evaluated with reports of our increasing annual exportation of wheat, it is quite possible that instead of having an unmanageable carryover of 1,300 million bushels of wheat, we could very conceivably have a carryover of less than 1 billion bushels. Despite all of the irresponsible accusations that have been made against the wheat supply, our present level of carryover is barely equal to 1 year's requirement for consumption of U.S. wheat.

Because of deteriorating producing conditions around the world, now the United States is the only country that is considered to have a surplus of wheat. Argentina, Canada, and all of the other major wheat-producing countries are considered to have only a bare minimum of what they consider necessary for a stable carryover supply.

There is also discrimination in the wheat provision in this bill. Under the present Wheat Act, a State's share of the national allotment has been based on a 10-year history of production. This bill proposes to reduce those base years to 5. This means that Kansas and other major producing wheat States would not be subjected to 20 percent reduction but to an amount in excess of 20 percent. In Kansas, this would amount to a 100,000-acre penalty below what would occur from a straight 20-percent reduction. Maybe the redistribution of this 100,000 acres to other States may have been another incentive to securing votes for this bill.

In answer to the critics that say the Members of my side of the aisle are merely out to emasculate this bill, let me say this: I took the floor to support the now majority leader in his effort to pass the 1962 wheat program. I also voted for the present voluntary feed grain reduction program. We were told by the Secretary of Agriculture they had been very successful in bringing about the objectives of this administration. If this is true why can we simply not sustain those programs for 1 more year? This was the recommendation of the Committee on Agriculture in the other body, and I am certain that the Committee on Agriculture of this body would have agreed to such a proposal without the 4-week deferment on bringing this bill to the floor because of the lack of support in the committee for the bill as it appears today.

Since such a proposal was the judgment of the Committee on Agriculture in the other body, it was apparently the original judgment of a majority of the members on the House committee. It is certainly the judgment of all the farmers in the Midwest. What other conclusion can be reached other than that the administration is determined to pass this bill to further extend the control of the Federal Government, and more particularly this administration, into the field of economics, in this case agriculture. This bill should be soundly defeated and the committee can resubmit to the House a bill that does not destroy the economic position and the constitutional prerogatives of the American farmer.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, we hear a lot of talk about equal time, in the debate on the sugar bill our very lovable friend, the gentleman from Florida, BILLY MATTHEWS, recited a little poem that I think was particularly pleasing and amusing. I wish to avail myself of equal time with a reply.

Here is BILLY'S great work:

The Congressmen are fussing on Capitol Hill.
They are debating the merits of the sugar bill.
Fine men and women, tried and true,
Beg for more sugar 'til their faces are blue.
They'll give Mr. Freeman all the power in the land.
Put their farmers in straitjackets, with a loving hand.
What would be their attitude if we evened up the score
And call this bill 11222 instead of 12154?

Now, to be effective a feed grain bill or a farm bill should apply to the tillable acres in our country to be an effective instrument. But it ran into trouble; areas wanted out, votes were needed, so deficit areas were exempted; pretty soon 25 acres exempted, and soon we hear of farmers operating 40 will be next to be favored. So we now find we give up acres in our feed grain areas to other areas. So, here is a new story:

It's true there's been fussing on Capitol Hill.
It's because we have before us a new farm bill.
The first bill up was quite some packet,
It had everything in it—even a straitjacket.
It had jail sentences, fines and penalties galore—
With all those experts they should have thought of more.

When the word got out, it fell like a dud.
The experts said the score is clear as mud.
The boys worked hard day and night
So as not to squeeze their boys too tight.
So now, Billy says, "Your argument sounds silly,"
But it's me that would be put in the jacket—not Billy.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Florida.

Mr. MATTHEWS. I want to congratulate my dear friend on his poetry. It is with deep regret that I resign from my prematurely designated title as poet laureate of the House and give him that title.

Mr. NELSEN. I thank the gentleman.

Mr. BROWN. Mr. Speaker, I yield the remaining time on this side to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, it is entirely fitting that this bill should follow the sugar-coated-pill sugar bill that was wheeled through the House of Representatives a few minutes ago. This so-called farm bill provides for taking more land out of production while the sugar bill provided, among other things, for giving production to foreign countries. So, in the pending bill we pay farmers to take land out of production when, under a proper sugar bill, we should have used at least some of this land, this productive capacity for American farmers to grow cane and sugarbeets. In other words, we pay twice. We pay a premium on the sugar that we get from foreign countries and we pay for idled

land in this country. This is par for the course for the House of Representatives. It is entirely in keeping with the contradictions that have become a way of life in the House and elsewhere in the Federal Government.

Mr. Speaker, the gentleman from Missouri [Mr. BOLLING] said something about either foreigners or Americans being embarrassed as a result of our surpluses. Perhaps the gentleman will be kind enough to tell the gentleman from Iowa whether it is the foreigners who are embarrassed, or Americans who are embarrassed. Could the gentleman tell me to which he referred?

Mr. BOLLING. Of course, I would be glad to tell the gentleman from Iowa, if the gentleman will yield to me.

Mr. GROSS. Yes; I am happy to yield to the gentleman from Missouri.

Mr. BOLLING. If the Nation is not embarrassed, I would be very much surprised—the United States of America.

Mr. GROSS. But the foreigners are not embarrassed. The gentleman is not saying that foreigners are embarrassed by our surpluses?

Mr. BOLLING. Well, if the gentleman wishes me to go into details, some certainly are. Our surplus of wheat has an effect in a variety of countries around the world, including our neighbor, Canada, and Australia.

Mr. GROSS. Most foreigners ought to be pleased that we have a surplus in this country, and American citizens ought to be pleased that we have a surplus. I agree that the present surplus is too large and ought to be reduced. But we have been shoveling our surplus out to foreign countries, giving it away through grants-in-aid, and virtually giving it to them under the arrangement of accepting their currencies.

Mr. Speaker, it seems that last year we went through the farce of selling Bolivia 3 million and some odd hundred thousand dollars worth of food products, the agreement being, of course, that the currency remain in Bolivia. Then, I received a release—I have forgotten from what agency of Government—telling how some time ago the Bolivian Government confiscated the British-owned railroad in that country. What do you suppose we are doing now? We are going to use nearly $2 million of the currency generated in Bolivia to buy fuel and equipment for this railroad and we are going to spend $700,000 to establish a management team in Bolivia to tell the Bolivians how to run the railroad that they confiscated from British private investors.

Mr. Speaker, some of these foreign countries had better hope that American farmers continue to produce a surplus. Incidentally, I wonder what would happen if we did not have a food surplus in this country with respect to the school lunch program, and the various relief programs? When we talk of the farm surplus, does anyone ever give consideration to the average $90 billion a year inventory maintained by industry, wholesalers, and retailers in this country? Whom do you suppose pays for this $90 billion inventory? I would hope that we would always have more than a few months' supply of automobiles, wearing apparel, appliances and everything else in this inventory pipeline. But who pays for it? It is paid for, as you well know, in the marketplace by the consumer when he purchases the product.

Mr. Speaker, the difference between the farm surplus and the inventory carried by business and industry in this country is the fact that the agricultural surplus is paid for out of the Treasury. But it is fortunate that we have a reasonable surplus. We had better hope that the day never arrives when one travels through the State of Iowa and the other Midwestern States and finds the grain bins empty, and the fields and feed lots empty of cattle and hogs.

Mr. Speaker, I oppose the administration's so-called farm bill because it would make a czar of the Secretary of Agriculture and for many other reasons. I am opposed to the rule that makes the bill in order.

Mr. BOLLING. Mr. Speaker, before I move the previous question, I would like to comment very briefly on one part of the statement of the gentleman from Ohio [Mr. BROWN]. He indicated that he had never seen such lobbying going on in Washington. The gentleman from Ohio [Mr. BROWN] is one of the most sincere, committed, and honest men of my acquaintance. But he must have a very short memory, because I remember a very few years ago when we actually had Cabinet officers ensconced in places around this Capitol lobbying as hard as I have ever seen anybody lobby. I think there was a postal rate bill in particular and, if my memory serves me correctly, an agriculture bill among others.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Of course, I yield.

Mr. BROWN. I wonder if the gentleman will tell us just what Mr. Freeman—Orville, I think his first name is, and I think he holds the title of Secretary of Agriculture—has been doing around these Halls during the last few days.

Mr. BOLLING. Exactly the same thing.

Mr. BROWN. And I wonder what these other members of the Cabinet have been doing, inviting our employees down to their offices, to explain to them the New Frontier program and what wonderful legislation they are asking for, so that they may subvert the people for whom they work. I am sure the gentleman will agree with me that there has been a little lobbying activity.

Mr. BOLLING. Mr. Speaker, I would like to answer the gentleman's question. They are doing exactly the same thing as a man whose name I think I remember, who comes from a Western State and who was Secretary of Agriculture—the same thing Mr. Benson did.

Mr. BROWN. I suspect that is right; but that does not make it the right thing. Two wrongs do not make a right, as the gentleman knows.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes. I present to the House for its consideration H.R. 11222, the Food and Agriculture Act of 1962.

Mr. Chairman, first I want to commend the majority members of the House Committee on Agriculture on the splendid effort put forth by the committee during the long consideration of this very important measure. At the outset I must say that we did not have the cooperation of the minority in an effort to improve the bill or any provision of the bill to which they objected. Their position was completely negative. They charged us with the responsibility and we have accepted the responsibility, and bring this measure to you and offer you the opportunity to improve it.

The gentleman from Ohio [Mr. BROWN], during the discussion of the rule for consideration of this legislation, said that we had agreed to accept certain amendments. I am certain that this bill is not perfect. I am certain that it can be improved and I hope it will be improved here on the floor of the House. We shall accept amendments. I have heard 14 or 15 amendments being discussed and I am sure that many amendments will be accepted and that the bill will be, thereby, improved.

Mr. Chairman, in its action upon this legislation now before us, the House confronts two alternatives, and our decision may be the most important we shall make in this Congress. Our votes will carry a tremendous impact upon the economic, social and political order of this Nation, in the years ahead.

These alternatives are:

First. To adopt sensible and sound programs for the major grain crops now, to permit our farmers to balance supply with demand, or

Second. To continue the buildup of farm surpluses, waste billions of dollars, and finally to destroy all farm programs.

For the farmers of America, the legislation, if approved by the Congress, offers the crucial choice between (a) controlling surplus production and thereby enjoying firm price supports and stable incomes, or (b) the complete abandonment of all farm price stabilization programs. In short, the decision offered

in H.R. 11222 for the producers of major crops is between self-imposed production restraints, or freedom to plunge headlong into bankruptcy.

H.R. 11222 is drawn with not only our farmers in mind, but the well-being of all other Americans, as well.

It will cut down farm surpluses.

It will save taxpayers billions of dollars.

It will offer new stability and prosperity to the farm economy.

It will assure consumers plentiful food, at reasonable prices.

THE FARM, FREE ENTERPRISE, AND COMMUNISM

Mr. Chairman, the farm problem poses a danger for the free enterprise system in America.

Agriculture is the Nation's largest industry, by far. The nature and productivity of our agriculture underlies the growth and strength of the greatest industrial establishment the world has ever known. Our farmers have made us the best fed Nation on earth, at the lowest cost. Under our family farm free enterprise system, as contrasted to the collectivized agriculture behind the iron and bamboo curtains, we have food to share with other freedom loving peoples.

The productivity of America's agriculture is the greatest stabilizing force today in the economy of the free world. Victory in the cold war may well turn upon the miracle of abundance from our farms that is feeding hungry millions of people the world over.

Food from our fields, pastures and orchards has defeated or checked communism in its tracks in important areas of the world. Khrushchev rattles his missiles. He talks about Russia's great industrial strides, but you never hear him boasting of overtaking the American farmer. Communism, in huge collectivized farms, has not begun to match the efficiency and productivity of the family farms of America.

Yet, our farmers are the poorest rewarded workers in our capitalistic system.

UNWISE POLICIES OF THE PAST

The farmer today is the victim of unwise, uneconomic and otherwise foolish farm policies in the 1950's; he is entangled in the twisted wreckage of the old farm program that worked so well for so long.

Mr. Chairman, we had in this country prior to 1953 a farm program that was based on the sound principle that fair and adequate prices would be assured farmers who were willing to adjust their production to fit their markets. Under this program our agriculture experienced its golden era of all our history. For 11 consecutive years—1942–52 inclusive—farm prices averaged 100 percent of parity or above 100 percent of parity.

And now, listen carefully. During the 20-year history of the farm program, prior to 1953, the Government actually showed a profit of $13 million in supporting the prices of the basic crops—wheat, corn, cotton, rice, tobacco, and peanuts. The Government was able to sell for that much profit in this 20-year period the crop collateral surrendered by farmers for price supporting loans.

Then things changed. In the 1950's our national policies were directed toward an unlimited production, low price farm economy. We heard then a great deal about "regimentation" and "freedom." We heard more then about getting the Government out of agriculture than we did about the responsibility of Government to serve our farmers on equal terms with industry and labor.

The consequence was that the net income of agriculture dropped by $21.5 billion in the 8 years, 1953–60 inclusive, as compared to the previous 8 years; the Department of Agriculture in 1953 through 1960 spent some $37 billion—more than was spent in all the previous 90-year history since the Department of Agriculture was founded in 1862; we entered the 1960's with warehouses virtually bursting with surpluses; and the costs now are staggering. And, it should be noted that, during those 8 years, many thousands of family farmers were forced to give up and go into the cities to look for jobs.

Between January 1, 1953 and December 30, 1960, in the 8 years when the philosophy of all-out, reckless production, with low farm prices prevailed, Government investments in farm commodities increased from $2,452 million to $9,228,604,000.

I submit a table showing Government investments—in inventory and loans—in major crops, comparing January 1, 1953 with January 1, 1961; and another table showing the earnings of farmers in the reckless years 1953–60 as against the previous 8 years when we had sound and sensible farm programs:

CCC investments in major crops (inventory and loans)

Crop	Unit	Amount	Value
Cotton:			
Jan. 1, 1953	Bale	1,097,000	$166,779,000
Jan. 1, 1961	do	5,242,000	892,144,000
Wheat:			
Jan. 1, 1953	Bushel	467,847,000	1,081,545,000
Jan. 1, 1961	do	1,515,715,000	3,634,072,000
Corn:			
Jan. 1, 1953	do	368,349,000	587,274,000
Jan. 1, 1961	do	1,844,093,000	2,852,106,000
Rice:			
Jan. 1, 1953	Hundredweight.	168,000	878,000
Jan. 1, 1961	do	6,553,000	38,433,000
Peanuts:			
Jan. 1, 1953	Pound	192,528,000	22,644,000
Jan. 1, 1961	do	332,560,000	35,469,000
Tobacco:			
Jan. 1, 1953	do	544,067,000	250,373,000
Jan. 1, 1961	do	640,697,000	403,694,000
Dairy products:			
Jan. 1, 1953			8,445,000
Jan. 1, 1961			79,124,000

Total realized net income of farmers:

8 years 1953–60 inclusive:	*In millions*
1953	$13,899
1954	12,201
1955	11,470
1956	12,032
1957	11,018
1958	12,980
1959	11,308
1960	11,649
Total	96,557

8 previous years:	*In millions*
1945	$12,850
1946	15,223
1947	17,304
1948	16,057
1949	13,789
1950	13,185
1951	15,158
1952	14,416
Total	117,982

Now, Mr. Chairman, where are we today?

Our people are generally and they are rightfully indignant. They will not stand longer for the waste and the squandering of their money, in farm programs that are not working either to the advantage of the farmer or to the taxpayer.

The Nation is demanding that the Congress enact sound and sensible farm legislation, or end farm programs once and for all.

It is in response to this temperament of the people that the House Committee on Agriculture, which it is my honor and privilege to serve as chairman, presents to the House H.R. 11222. It is similar to legislation already passed by the Senate. As I have said, it will cut down farm surpluses, save billions of dollars for taxpayers, strengthen the entire economy by improving the income of farmers, and assure consumers plentiful food and fiber at fair prices.

As I said above also, this bill gives the grain farmers of the Nation the choice between controlling surpluses with assurances of fair prices or, on the other hand, complete freedom with no controls and no price supports, to produce themselves into bankruptcy.

It makes no sense to me for the Government to provide price supports for the unlimited production of anything. I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within bounds, so that they do not glut and ruin their markets, at the cost of billions of dollars to our taxpayers.

I, for one, am unwilling to provide a nickel of price support to a farmer who will not cooperate, who will not assume the responsibility of controlling his surplus production.

I am asked what would happen if the bill now before us does pass and corn and other grain farmers then reject controls in the referendum provided for in the legislation.

Such a decision by corn and other grain farmers no doubt would signal the ultimate and for all farm production and price stabilization programs. This, in my judgment would convulse agriculture in a way that its spasms would be felt in every nerve of the economic body of this country.

Moreover, it no doubt would mean the end of the family farm in America, in any significant way, as out of the economic wreckage great integrated farming corporations would emerge, replacing independent farmers with a hired-hand agriculture. That, indeed, would be a sad day for America. The family

farm was the beginning of free enterprise on this continent. It formed the economic base for the development of the greatest democratic form of government the world has known. The decline and fall of the family farm would not stop at that. There would be a chain reaction. Thousands upon thousands of units of capitalism in industry and business, now serving the family farm system, would vanish, as the family farm gave way to an integrated corporate, hired-hand agriculture.

This may happen, and sooner than we think.

SOME DETAILS OF H.R. 11222

This legislation provides specific programs for corn and other feed grains, for wheat, and for the dairy industry. The programs for grain, if approved by farmers, would place controls on surplus production. The bill attempts to head off a gathering surplus situation in dairy production, through a voluntary program.

The long-range feed grains and wheat programs in H.R. 11222 are not new programs; they simply apply the success story of tobacco, cotton, rice and programs to feed grains and wheat. They would permit producers to choose, freely and democratically, between price supports with surplus controls, and unlimited production without effective price support. This is a choice which producers of many major commodities now make nearly every year. When applied to cotton, tobacco, rice and peanuts, it is a choice to which all major farm organizations subscribe.

The feed grains and wheat programs in H.R. 11222, by the best estimates of the Department of Agriculture, would cost the Government $600 million less for 1963 crops than the voluntary programs now in effect, as follows:

Government cost of alternative programs for 1963 crops

[In millions]

	Feed grains	Wheat	Feed grains and wheat
Long-range program (H.R. 11222)	$644	$1,188	$1,832
Extension of 1961–62 emergency programs	1,200	1,217	2,417
Return to 1960 programs	1,372	1,465	2,837

In 4 years of operation, the savings to the public would be $4 billion, including $3 billion saved in Government payments to farmers.

Mr. Chairman, I understand that an effort probably will be made, through an amendment to substitute for the wheat and feed grain sections of this bill language which would continue the current voluntary and temporary programs for these crops. It is true that these voluntary programs, worked out last year in cooperation between the administration and the Congress are improving farm income and reducing Government costs. But these programs are but temporary expedients. They are still too costly. I shall resist all efforts to perpetuate them and I shall insist upon the basic provisions of the bill now before us.

A WORD WITH MY SOUTHERN COLLEAGUES

Now, Mr. Chairman, I should like to speak briefly to my colleagues from the South, where we have successful surplus control programs working for cotton, tobacco, rice, and peanuts.

Our farmers, by their own decisions, prevent surplus production of these crops. In return, our Government supports our prices. Our farmers vote overwhelmingly year-by-year for whatever controls are necessary to prevent surplus accumulations which are a burden to our Government.

I think that all of us from the South should be willing and eager to give the farmers of the Great Midwest and elsewhere the same opportunity that we have with crops we produce, to determine in free and democratic referendums whether they want, as we have done, to place controls on surplus production and enjoy stable prices, or to go it on their own, with no check on production and no stability of price.

Moreover, I must admonish my southern colleagues of the alternative, if this bill should fail. Defeat of H.R. 11222 will return the feed grains to unlimited production, with price supports—price support on unlimited production—under the old law enacted in 1958. I think the Nation would revolt against being buried by a new avalanche of surpluses of grains, as likely would occur. I think that this might well mean an end to all farm support programs, and this would spell ruin for the cotton, tobacco, rice, and peanut farmers of the South. All of us from the Southland should think on this, when we cast our votes.

SMALL FARMS AND DEFICIT AREAS

One-half of the Nation's farms are in the South. We have numerous small farms. This legislation, in its feed grains provisions, comprehends and protects the position of the small farmer. It provides special exemptions from cutbacks in production by small farmers.

The bill also properly takes into account the special problems of farmers in deficit feed grains producing areas, by providing certain exemptions.

We have tried in the Committee on Agriculture to be as fair in all respects as it is possible to be.

FARM POLICY

Mr. Chairman, I have appeared in the House on many other occasions, in behalf of what I believed to be sound and sensible farm programs. Many of you are aware of my own philosophy and objectives, in the development of national farm policies.

I simply want to make available to farmers the basic tools of free enterprise that have made America the industrial giant among nations. These tools and these essential requirements for success in any productive enterprise in our free economy are first, the ability to adjust supply to demand, through holding production to the measure of effective markets; and second, the power to put a price tag on the products of enterprise that reflects costs plus a reasonable profit to the producers thereof.

This is what I have been fighting for in farm programs all these years, simply to place our many thousands of farmers scattered across the land on an equal footing with industry, by making it possible for farmers to use the supply adjustment and pricing mechanisms of industry so that they, too, may make the law of supply and demand work for them and not against them.

ORIGIN OF THE LEGISLATION

H.R. 11222 embraces the philosophy of turning the law of supply and demand to the advantage of the farmer, under our free enterprise system, as I have set forth as the sound starting point in the development of farm policy.

The legislation was drawn originally in the Department of Agriculture, under the direction of the Secretary of Agriculture, Hon. Orville Freeman. The Secretary and his staff have cooperated splendidly with our Committee on Agriculture in bringing about extensive improvements and refinements which appear in the legislation as now presented to the House.

Mr. Chairman, I have served in this House for 28 long years and under several Secretaries of Agriculture and many Cabinet officers, but I have never known a more diligent, a more faithful, more loyal worker than Mr. Freeman. Perhaps he has been pounding these corridors, perhaps he has been lobbying for this bill, but he has not lobbied me about it. He has replied whenever I called on him to come either to my office or to the committee room. He will discuss any section of the bill at any time with anybody.

I live within 3 feet of a very prominent Cabinet officer, just across the corridor from me, yet he has not even spoken to me about this bill, the debt limitation, or these other bills we are talking about. If he were going to lobby me about it or anything else would he not have the best opportunity in the world when I live just 3 feet away from him and am a close personal friend and he a former Governor of our Commonwealth?

I do not see anything evil or unholy about a Cabinet officer explaining legislation to Members who want to know and who ought to know the truth about the proposition they are called upon to decide.

THE NATURE OF THE OPPOSITION

Now, what is the opposition to this legislation?

The principal opponent, so far as I am aware, is the top echelon of the American Farm Bureau Federation.

I must say, and I confess to the House, that the position, and the activities, of the Farm Bureau Federation, particularly in its Washington headquarters has been a mystery to me since the late Edward A. O'Neal, the greatest farm organization statesman of our time, retired as Farm Bureau president some 15 years ago.

Ed O'Neal, of Alabama, as head of the American Farm Bureau Federation was

one of the principal architects of the old farm program that worked so well for so long in the direction of bringing farmers into a parity position in our free enterprise economy. With the help of men like Earl Smith, then president of the Illinois Agricultural Association, he welded the farm interest of this country into a united front to lift agriculture out of the great depression and to set agriculture on the road to the era of greatest prosperity farmers have known—an era that ended in the 1950's.

If you ask what happened in the top level of the Farm Bureau, or question the nature of the new influences that have prevailed in that organization, I must confess to this House that I do not know.

It is evident to me, however, that the decline in the agricultural economy, and the heaping up of the farmers' problems, have coincided with the departure of the new dynasty in the Farm Bureau from the precepts of such former leaders as O'Neal of Alabama and Smith of Illinois.

Mr. Chairman, the bill now before this House in effect restores the surplus control provisions of the Agricultural Act of 1938 with respect to corn, and extends these provisions to other feed grains. The authority to control the production of corn through marketing quotas was deleted from farm law in 1954. Corn was one of the basic crops, subject to production controls to prevent surpluses, if producers approved, embraced in the Agricultural Act of 1938.

I had a nostalgic experience in preparation for this debate. I looked back through the House and Senate committee hearings on the Agricultural Act of 1938. This, I emphasize, was the legislation that authorized production controls, on approval of farmers, to prevent surpluses. I saw in the yellowing pages of these old hearings where O'Neal, of Alabama, and Smith, of Illinois, flanked by the Farm Bureau presidents of various States, submitted this legislation as their own, for the long range solution of the farm problem.

Now, Mr. Chairman, in recent years the Farm Bureau national organization for reasons beyond my explanation, has done an about-face. Its leaders are going about the country saying in effect that for the farmers to try to make the law of supply-and-demand work for them, and not against them, it is a violation perhaps of even the laws of God.

Some 5 years ago the Bureau top echelon, you will recall, shocked the farm community of this Nation by proposing the repeal of the parity concept. This is the principle on which all of agriculture's aspirations and hopes are founded.

The Farm Bureau, as I have pointed out, is the foremost opponent of the bill before us. It should be recalled, in this connection, that these same top people in the Farm Bureau were the principal advocates of the farm policies of the 1950's which opened the floodgates on farm production, reduced farm prices, built up the surpluses that now overwhelms us, and generally brought about the conditions we seek to cope with in this legislation. It should be stressed also that these top Farm Bureau people propose, as their only alternative to the bill before us, something they call a cropland retirement program, which would, as best I can determine, bring back the old and discredited soil bank of the 1950's.

I must say to this House, Mr. Chairman, that I do not believe the position and the activities of the top people in the national organization of the Farm Bureau in any way whatsoever represent the thinking or the will of the working farmers back in the State and in the county farm bureau organizations. We here in this House are working for the people back there on the farms. I rest my position on this bill to the good judgment of the individual farmer and his wife who are looking to us for positive, effective, and courageous action.

THE POLITICAL CLIMATE

Mr. Chairman, it is appropriate that I, in presenting this bill to the House, should take note of the political environment which encompasses it. We all are well aware of the events contributing to this environment in the last few days.

I abhor even the thought that political advantage may at any time overshadow the best interests of our farmers, and of our country, in the consideration of this legislation.

I seek the support of Republicans as well as Democrats for this bill.

I shall not introduce politics into this debate.

But I say, here and now, if cheap partisan politics are thrown onto the floor of this House by any opponent of this legislation, I am prepared to go to whatever lengths as are necessary to turn this debate and the votes on this bill to the best advantages of the farm families who feed and clothe the Nation and to all our people who are demanding responsible action of this House in the interest of all our people.

Mr. Chairman, I present now a memorandum prepared for me by the Secretary of Agriculture with certain tables. It is my thought that this material will be helpful to all the Members in analyzing and understanding the legislation before us:

MEMORANDUM: H.R. 11222, THE FOOD AND AGRICULTURE ACT OF 1962

H.R. 11222, the Food and Agriculture Act of 1962, would benefit farmers, taxpayers, and consumers. It is a farm bill for all the people. It represents another step toward improvement of rural living, toward better resource use, and toward sensible commodity programs. It would modify the feed grain and wheat programs of the 1950's—programs which cost far too much, and which left large carryovers in the hands of the Government. Those programs were largely responsible for increasing budget expenditures for the Department of Agriculture from $2.9 billion in 1954 to $7.1 billion in 1959.

A steady increase in Government costs was certain to occur if the pre-1961 price support programs had been continued for 1961 and 1962 crops. If the old programs were to be effective again for the 1963 crops, as some propose, carryover stocks would increase by the end of the 1966 marketing year to about 4.3 billion bushels of corn and grain sorghums and 2.1 billion bushels of wheat. Annual CCC expenditures for carrying charges on these three grains would exceed $1¼ billion by the fiscal year 1967.

In contrast, the long-range programs in H.R. 11222 would reduce CCC stocks of corn and grain sorghum to about 1.1 billion bushels and wheat stocks to about 655 million bushels, and would begin to use our excess farm land resources effectively. Carrying charges on grains would be nearly $1 billion less than if the old programs were to operate again.

The 1961–62 emergency feed grain program and the 1962 wheat program have raised farm income and reduced Government costs materially, but they are responsible programs only as temporary expedients. They were clearly better—for farmers and for taxpayers—than the programs in effect prior to 1961. But they are costly, and their results are uncertain compared with the long-range programs proposed.

The Committee on Agriculture of the House wisely rejected efforts to continue the existing emergency programs in 1963, and approved the long-range programs in H.R. 11222. Advantages of these programs are given below.

1. The long-range programs are less costly.

(a) The proposed feed grain and wheat programs would cost the Government about $600 million less in 1963 alone (table 1).

(b) In 4 years, the proposed programs would cost $4 billion less than the voluntary programs. Future budget savings would be higher under the long-range programs than under the temporary programs (table 2).

(c) Diversion payments alone would be half a billion dollars less in 1963, and more than $3 billion less in 4 years, than with the voluntary programs (table 3).

(d) All farmers could participate in solving the surplus problem in the long-range programs. With voluntary programs, however, noncooperators offset much of the acreage reduction paid for on farms of cooperators.

2. Consumers are fully protected.

No measurable increase in consumer food prices would result from the program. Farm prices make up only 38 percent of food prices. Food prices rose steadily in the 1950's while farm prices fell. Increases in future food prices would tend to be caused primarily by other factors—not by farm prices.

Farm price supports and farm prices were increased somewhat in 1961, yet food prices have been stable the past year. The range in which price supports for wheat and feed grains are authorized is not changed by H.R. 11222. Nothing in the bill, therefore, should be construed as indicating higher food prices.

3. The long-range feed-grain program is fair to farmers.

It would provide producers a choice between good prices and incomes with production restrictions, and neither production limitations nor price supports.

(a) Producers of cotton, tobacco, rice, wheat and peanuts have made a similar choice for many years.

(b) From two-thirds to around 90 percent of the producers in cost of the southeast and the northeast could be exempt from the program because they would have allotments smaller than 25 acres (table 7).

4. The wheat provisions of H.R. 11222.

H.R. 11222 provides a marketing certificate program in place of the existing price support for wheat. It includes also an acreage allotment geared to the market for wheat in place of the excessive 55 million-acre minimum allotment in existing law.

The central advantages of the marketing certificate program over the price-support program now in effect are greater flexibility for farmers and a limitation on the price-support obligation of the Government. Marketing certificates provide a means of distinguishing between wheat for food and export, to be supported at the higher price, and wheat for feed, or for export, to be supported at a lower price.

The provision permitting wheat to be planted on feed-grain allotments in another key feature of the marketing certificate program. It would:

(a) Provide farmers with much needed flexibility.

(b) Provide a larger supply of quality wheats from which millers and exporters could select their supplies.

(c) Not add to feed supplies, since wheat planted on feed-grain acreage would displace other grains.

Detailed comparisons of program costs and returns to producers under alternative programs are in the following tables:

TABLE 1.—*Feed grains and wheat—Major elements of CCC costs by crop years*

[Millions of dollars]

	1961		1963			
	With 1960 program	Emergency program	With 1960 program	With 1961–62 program	With long-range program	With cropland retirement program
FEED GRAINS						
Cost of acquisitions	880	865	750	932	123	107
Proceeds from dispositions	−379	−1,069	−300	−1,285	−550	−429
Export subsidies	46	52	45	52	54	23
Carrying charges and interest	593	505	710	419	335	335
Public Law 480, excluding export subsidies	186	186	167	182	182	167
Subtotal	1,326	539	1,372	300	144	203
Payments for land diversion		782		[1] 900	[2] 500	[3] 1,175
Total	1,326	1,321	1,372	1,200	644	1,378

	1961		1963			
	With 1960 program	Emergency program	With 1960 program	With 1961–62 program	With long-range program	With cropland retirement program
WHEAT				*1962 program*		
Cost of acquisitions		375	592	153	100	138
Proceeds from dispositions		−417	−420	−454	−425	−547
Export subsidies		410	375	313	430	13
Carrying charges and interest		300	310	252	225	243
Public Law 480, excluding export subsidies		580	608	608	608	608
Subtotal		1,248	1,465	872	938	455
Payments for land diversion				[1] 345	[4] 250	[3] 705
Total		1,248	1,465	1,217	1,188	1,160

[1] Based upon an assumption that the price support would be $1.20 per bushel for corn and $1.80 per bushel for wheat. The Department of Agriculture has indicated only that the corn price-support level would be between $1.20 and $1.30 if the mandatory feed grain program were in effect in 1963, and that the wheat price support would be about $2 per bushel if the marketing certificate program were in effect.

[2] Diversion payments of $500,000,000 would be associated with $1.20 per bushel price supports for corn; payments of approximately $400,000,000 would be made if the price-support level were at or near $1.30 per bushel.

[3] Estimated total payments of $1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

[4] Payments of $225,000,000 in the wheat program have also been indicated in some reports.

TABLE 2.—*Feed grains and wheat—Estimated ultimate net savings from supply management programs compared with returning to 1960 programs*

[Millions of dollars]

	1961 emergency program	1963			
		With 1960 program	With 1961–62 programs	With long-range program	With cropland retirement program
FEED GRAINS					
Acquisition costs avoided, net	353		341	376	376
Carrying costs and interest avoided	1,054		980	1,005	1,005
Diversion payments incurred	−782		−900	−500	[1] −1,175
Additional administrative expense incurred	−42		−35	−37	−74
Net savings	583		386	844	132

	1961 emergency program	1963			
		With 1960 program	With 1961–62 programs	With long-range program	With cropland retirement program
WHEAT			*1962 program*		
Acquisition costs avoided, net			207	267	220
Carrying costs and interest avoided			335	450	324
Diversion payments incurred			−345	−250	[1] −705
Additional administrative expense incurred			−13	−13	−42
Net savings			184	454	−153

[1] Estimated total payments of $1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

TABLE 3.—*Difference in cost to the Government of diversion payments under long-range proposal compared with continuation of 1962 voluntary feed grain and wheat programs*

[Millions of dollars]

Crop and program	Wheat	Feed grains	Total
1963 crop:			
H.R. 11222	[1] 250	[2] 500	750
Voluntary programs	345	900	1,245
Difference	95	400	495
1964 crop:			
H.R. 11222	[1] 200	[2] 400	600
Voluntary programs	345	900	1,245
Difference	145	500	645
1965 crop:			
H.R. 11222	[1] 175	[2] 300	475
Voluntary programs	345	900	1,245
Difference	170	600	770

Crop and program	Wheat	Feed grains	Total
1966 crop:			
H.R. 11222			
Voluntary programs	345	900	1,245
Difference	345	900	1,245
1963–66 crops:			
H.R. 11222	625	1,200	1,825
Voluntary programs	1,380	3,600	4,980
Difference	755	2,400	3,155

[1] Diversion payments at approximately these levels would apply with the price support for certificate wheat at $2 per bushel. The declining schedule of payments indicates a general policy position only, not a determination of the level of payments in future years.

[2] These payment rates would apply if the price support for corn was $1.20 per bushel. If the corn price support were around $1.30 per bushel, payments would range from approximately $400,000,000 to $200,000,000 from 1963 to 1965.

TABLE 4.—*Feed grains—Estimates for various programs, by crop years*

	1961		1963			
	With 1960 program	Emergency program	With 1960 program	With 1961–62 program	Long-range program	Cropland retirement program
Acreage (thousand acres):						
Diverted:						
Soil bank	13,943	13,943	12,029	12,029	12,029	12,029
Special programs		25,215		29,500	33,000	33,000
Harvested	124,100	106,763	125,100	105,800	101,500	98,000
Yield (tons per harvested acre)		1.32		1.37	1.37	1.42
Supply (million tons):						
Beginning stocks	84.8	84.8	70.4	70.4	70.4	70.4
Production	163.0	140.8	166.0	144.6	139.1	139.2
Imports	.5	.5	1.0	1.0	1.0	1.0
Total supply	248.3	225.9	237.4	216.0	210.5	210.6
Utilization (million tons):						
Domestic	137.4	134.9	141.5	138.1	135.0	[1] 135.0
Export	13.3	13.3	14.0	14.0	14.0	14.0
Total use	150.7	148.2	155.5	152.0	149.0	149.0
Carryout (million tons)	97.6	77.7	81.9	64.0	61.5	61.6
Increase (+) or decrease (−) in carryover during year (million tons)	+12.8	−7.1	+11.5	−6.4	−8.9	−8.8
Payments for land diversion (million dollars)		$782		[2] $900	[3] $500	[4] $800
Season average price to farmers for corn	$0.98	$1.07	$0.98	[2] $1.07	[3] $1.23	$1.13

[1] Assumes 3,000,000 more tons of wheat used for feed.
[2] Estimates of diversion payments and average prices received by farmers are based upon an assumption that the price support in 1963 would be $1.20 per bushel if the 1961–62 programs were extended. Since program costs would be more than $500,000,000 higher than under the mandatory program, the level of price support would have to be reviewed with a view to reducing program costs.
[3] Diversion payments and average prices received by farmers are based on an assumption that the support price would be around $1.20 per bushel. The price support for corn in 1963 has not been set, but the Department has indicated that under the mandatory program it would be set between $1.20 and $1.30 per bushel.
[4] Represents only that part of $1,880,000,000 in payments which can be specifically ascribed to feed grain acreage.

TABLE 5.—*Wheat—Estimates for various programs, by crop years*

	1961 program	1963			
		With 1961 program	With 1962 program	Long-range	Cropland retirement program
Acreage (thousand acres):					
Diverted:					
Soil bank	3,163	2,729	2,729	2,729	2,729
Special programs [1]			14,000	13,000	
Planted [1]	55,648	57,000	48,300	45,800	51,000
Harvested	51,620	53,500	43,100	40,600	47,000
Yield (bushels per acre)	23.9	25.0	25.5	25.5	25.5
Supply (million bushels):					
Beginning stocks	1,412	1,295	1,295	1,295	1,295
Production	1,235	1,340	1,100	1,035	1,200
Imports	8	8	8	5	5
Total supply	2,655	2,643	2,403	2,335	2,500
Utilization (million bushels):					
Domestic	590	603	585	585	700
Export	685	625	625	625	625
Total use	1,275	1,228	1,210	1,210	1,325
Carryout (million bushels)	1,380	1,415	1,193	1,125	1,175
Increase (+) or decrease (−) in carryover during year	−32	+120	−102	−170	−120
Payments for land diversion (million dollars)			[2] 345	[3] 250	[3] 110
Season average price to farmers [4]	$1.84	$1.75	[2] $1.80	[2] $2.05	$1.35

[1] Estimates take into consideration "small farm" base acreages of about 6,000,000 acres under administration proposal but about 11,000,000 acres under the 1962 program.
[2] Diversion payments and average prices received by farmers are based upon an assumption that the 1963 price support for wheat would be $1.80 if the 1962 wheat program were extended to the 1963 crop, but that the price support would be about $2 if the marketing certificate program were in effect.
[3] Represents only that part of $1,880,000,000 in total payments which can be specifically ascribed to wheat acreage. If all payments are prorated to wheat and feed grains, this becomes $705,000,000.
[4] Feed and seed wheat value assumed to be $1.40 per bushel, except upon cropland retirement program.

TABLE 6.—*Estimated value of production of wheat and feed grains under various programs, by crop years*

	1961		1963			
	With 1960 program	Programs	With 1960 programs	With 1962 programs	Long-range programs	Cropland retirement program
WHEAT						
Season average price per bushel to farmers [1]		$1.84	$1.75	$1.80	$2.05	$1.35
Value of production (million dollars) [1]		2,228	2,310	1,940	2,057	1,620
Payments for land diversion (million dollars)				345	250	[2] 110
Total value plus payments		2,228	2,310	2,285	3,207	1,730
FEED GRAINS						
Season average price to farmers for corn:						
Per bushel	$0.98	$1.07	$0.98	$1.07	$1.23	$1.13
Per ton	$35.00	$38.20	$35.00	$38.20	$43.95	$40.35
Value of production of all feed grains, basis price per ton of corn (million dollars)	5,705	5,372	5,810	5,525	6,127	5,609
Payments for land diversion (million dollars)		782		900	500	[2] 800
Total value plus payments	5,705	6,154	5,810	6,425	6,627	6,409

[1] Wheat used for feed and seed is computed at $1.40 per bushel except for the cropland retirement program.
[2] Represents only that part of $1,880,000,000 on total payments which can be ascribed specifically to wheat or feed grain acreage. The remainder would apply to land diverted from other crops.

TABLE 7.—*Feed grains—Estimated applicability of 25-acre exemption under the provisions of the administration feed grain program*[1]

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less	Acreage on exempt farms as percent of total acreage	State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less	Acreage on exempt farms as percent of total acreage
			Thousands					*Thousands*	
Maine	1,079	96	8.5	81	North Carolina	128,926	88	1,059.6	54
New Hampshire	906	93	8.1	74	South Carolina	50,241	87	426.4	51
Vermont	3,482	90	37.1	69	Georgia	45,508	60	453.4	17
Massachusetts	1,684	88	17.4	61	Florida	6,079	51	69.0	12
Rhode Island	240	83	3.0	54	Kentucky	82,526	82	686.4	40
Connecticut	1,802	85	21.9	58	Tennessee	79,944	82	661.9	43
New York	31,045	81	319.8	49	Alabama	62,844	73	642.9	31
New Jersey	3,608	64	44.9	26	Mississippi	82,176	89	722.1	58
Pennsylvania	56,586	81	857.2	69	Arkansas	31,121	91	210.7	57
Ohio	57,907	55	649.2	17	Louisiana	31,061	91	259.2	56
Indiana	39,056	39	476.1	9	Oklahoma	9,131	34	61.1	7
Illinois	25,749	20	296.4	3	Texas	28,442	36	264.1	4
Michigan	45,283	63	545.0	26	Montana	3,899	25	59.3	3
Wisconsin	64,528	61	796.0	28	Idaho	4,937	54	58.7	10
Minnesota	28,001	25	357.6	5	Wyoming	1,098	39	13.2	10
Iowa	18,164	12	236.8	2	Colorado	390	10	3.0	1
Missouri	46,584	48	512.5	12	New Mexico	474	26	5.8	3
North Dakota	2,375	6	31.7	1	Arizona	301	23	2.3	2
South Dakota	2,872	7	22.4	1	Utah	5,538	70	53.6	30
Nebraska	4,231	6	52.4	1	Nevada	216	54	2.3	15
Kansas	16,690	24	173.5	4	Washington	2,334	35	21.9	3
Delaware	1,840	50	22.3	14	Oregon	4,734	53	48.7	10
Maryland	11,099	66	113.9	23	California	1,352	18	22.6	1
Virginia	56,386	89	463.4	59					
West Virginia	20,063	96	101.3	75	United States	1,204,532	54	11,976.5	12

[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments in the section which was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

[2] Includes corn, grain sorghums, and barley. If oats is included, as in H.R. 11222, the number and percentage of farms would be smaller in most States.

Mr. Chairman, I think I know about as much about control programs and adjustment programs as any Member of this House, because five of the six basic commodities are grown in my district and on my own farm, and at one time or another all of those commodities have been under some adjustment program.

Everyone knows that the tobacco program has worked successfully and well for many years. The Government has sustained very small losses on the program. The peanut program, under which we have made necessary adjustments, is likewise operating well and satisfactorily, and peanut farmers are not now on subsidy. The program on rice is another adjustment program and that is working well; and the program on cotton is an adjustment program.

We are trying in this legislation to give to other producers of the Nation the same sort of legislative machinery and programs as we have provided for the producers of the four commodities I have just mentioned. I want the farmers who produce corn and feed grains, the farmers who produce wheat, to have the same choice that my farmers have had. In every referendum we have held the farmers have approved the programs by about 90 to 98 percent, and the programs are working well.

We have lost gigantic sums of money in recent years on wheat and on corn and other feed grains. We have accumulated huge surpluses in our warehouses and our warehouses are now bulging with vital food and fiber throughout this vast Republic of ours. They have accumulated about $9 billion worth of surpluses. We have authorized the executive branch of the Government to do just about everything possible with these surpluses which are now burdening our markets.

Our committee and this Congress have given to the Secretary of Agriculture the right to sell these commodities for cash dollars, to sell them on short-term credit for dollars and long-term credit for dollars, to sell them for foreign currencies, to barter the commodities away for strategic materials needed in our own country, yes, even to give the vital food and fiber away around the world wherever need can be shown. Yet notwithstanding that broad authority, our situation has become aggravated with every harvest.

Now we are faced with this situation, that we have no alternative but to offer to the farmers a program providing that if they will make the necessary adjustments we will provide the necessary and desirable price supports, and on the other hand, if they reject the program, they have no price supports.

Mr. Chairman, I know what these adjustment programs now operating for cotton, tobacco and peanuts mean to me. I know what they mean to my constituents. But for these programs that we have, North Carolina farmers would be in bankruptcy before Thanksgiving. We could not possibly survive because we would produce so abundantly that prices would be destroyed and we would have no alternative other than to suffer the burdens of unmanageable overproduction instead of the blessings of the program whereby we have had stability of supplies and stability in prices and at least some degree of prosperity. The difference is prosperity on the one hand and prostration on the other hand.

I remember 1939 when we dropped the tobacco program. I saw able-bodied friends of mine walking out of the warehouses with tears in their eyes—with not money enough even to buy school books. It was a burden upon us for 2 or 3 years.

Now I want to appeal to you to give the grain farmers of the Nation a chance to say yes or no.

Of course, the city gentleman here from Kansas City made an excellent speech; and he knows that there would not be any great city there but for the agriculture of that area. We know that this program is important. In every little city and village in this country, every professional man, men and women in all vocations and avocations of private life are involved in this controversy.

I think those Members from the city district should feel that this bill is a consumer's bill. It is a bill to protect consumers as well as producers. It is a bill in the interest of the taxpayer.

I appeal to the city Members to vote for this because it is in the interest of the taxpayers, it is in the interest of the consumer, and I think we can expect good administration of this bill by Mr. Freeman.

Mr. Chairman, after long hearings, after all who asked to appear were given an opportunity to express their views concerning the provisions of this bill and to present their own solutions for the farm problems, our Committee on Agriculture broke up into subcommittees and I referred all of the sections to appropriate subcommittees. The subcommittees worked diligently and faithfully to improve those sections.

The gentleman from Texas [Mr. POAGE] was chairman or one or two of the subcommittees, and he will discuss those particular provisions that were referred to his subcommittee. The gentleman from Wisconsin [Mr. JOHNSON] was chairman of the Dairy Subcommittee, and he will discuss the dairy section. The gentleman from Kansas [Mr. BREEDING] was chairman of the Wheat Committee, and he will present that section. We have a section dealing with Public Law 480, which also will be discussed by the chairman of the subcommittee.

Mr. Chairman, I conclude my remarks by appealing to the reason of this House.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. NELSEN. A matter has been disturbing me now for some time. That is the problem that some of our producers have fallen into where a base has been lost to their farm. I know the gentleman has helped me, the gentleman from Texas [Mr. POAGE] has helped me, but in spite of that help we have been unable to establish a base on a farm of 160 acres, 320 acres, or 400 acres.

What would happen to a young man who owns a farm worth $100,000, but he is unable to get the Department of Agriculture to act? Those are the things that frighten me.

Mr. COOLEY. I share the gentleman's views to this extent: I think I am safe in saying we have a provision in this bill which will authorize the establishment of a base on a new farm.

Mr. NELSEN. It is my understanding in the debate on the feed grain bill the Secretary had the power to make adjustments on feed grain bases. I happen to have a boy who runs my farm. There is not a single acre that he can get. He has been denied a single acre. What would he do if this bill passes?

Mr. COOLEY. He could appeal to the local committee, and they could make it available to him.

Mr. NELSEN. We do not know whether they will or will not.

Mr. COOLEY. I am not sure whether they will or not, either. I suggest that the gentleman withhold his question until the gentleman from Texas [Mr. POAGE] speaks. I think he will be able to answer the question.

Mr. NELSEN. I am anxious that the record be written so there may be some directive to the Department of Agriculture in any bill we pass.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. MACK. I want to commend the gentleman for the very fine statement that he has made. I intend to be here on the floor and listen to the debate throughout the time that we spend on that subject because I am very much interested in it. I have a substantial agricultural community in my district, and I want to properly evaluate the bill before us before I pass judgment on it.

I have been contacted by representatives of various organizations. One of them was the Farm Bureau that has put on quite a drive to get people to vote against this bill. I asked them, in one of my questions, What alternative do we have? They tell me that alternative is something they call the Federal crop retirement plan.

Mr. COOLEY. Let me interrupt.

You vote down this bill and we go back to the Benson program of 1958 under which we sustained the losses and accumulated the surpluses. That is the choice we have.

Mr. MACK. Just one more question.

The Farm Bureau supposedly is submitting this Federal crop retirement program. I can find no support for that bill among the Congressmen in the House of Representatives. I would like to know whether any Congressman has offered this proposal as a substitute for this bill during the executive session.

Mr. COOLEY. I do not think any Congressman thought enough of that bill to offer it as a substitute.

Mr. HOEVEN. Mr. Chairman, I yield myself 25 minutes.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, the gentleman from North Carolina expressed the hope that this bill should be considered on a nonpartisan manner. Yet in the same breath he accused the minority on the committee of not cooperating and being completely negative in trying to write this bill.

I just want to set the record straight. In my capacity as ranking minority member of the House Committee on Agriculture I am ex officio, at least, a member of all subcommittees. At the first meeting of the subcommittee on livestock and feed grains to consider the feed grain section of the bill. The question arose whether or not the subcommittee should proceed along the compulsory route or along a voluntary route as far as feed grains are concerned. We were advised by the chairman of the subcommittee that we were going to follow the compulsory route. I then advised the chairman that we would not go along with a compulsory program. So, we were foreclosed right from the start.

Furthermore, in the deliberations in the full committee a substitute for the bill was offered by the gentleman from Minnesota [Mr. QUIE], which for all practical purposes would have extended the present feed grains program for 1 year and the present wheat program for 1 year. And, may I advise the membership that I am giving some consideration to offering a substitute to title IV, I may say to the gentleman from Illinois [Mr. MACK], which would extend the present feed grains bill for 1 year and would extend the present wheat program for 1 year with some other features. Whether or not the substitute is offered, remains to be seen.

Mr. Chairman, this is a most controversial and dangerous piece of legislation. It will make the Secretary of Agriculture a czar and for all practical purposes will make it necessary for the American farmer to procure a Federal license in order to operate his own farm. I do hope you will carefully read the minority report which fully sets out the many glaring defects of the bill.

This bill should not be up for consideration in the House today. In fact, the bill should not have been reported out of the House Committee on Agriculture. It is common knowledge that the bill would not have been reported out of committee if it had not been for the terrific political pressure brought to bear on certain of the majority members of the committee, who apparently were completely overwhelmed by political pressure from the White House down. I have seen nothing like it during my long service in the Congress. Constant harassment seems to have been the order of the day. Throughout the critical time when the administration was trying to get the one necessary vote to have the bill reported some high officers in the Department of Agriculture were wandering the corridors near the committee room while others from the office of Commodity Stabilization Service were constantly on guard in quarters adjacent to the committee room, keeping in touch with ever move that was made. You can well imagine under what terrific pressure some of my Democratic colleagues were carrying on.

It is indeed a sad commentary on our system of free choice and representative government when representatives of a free people in the Congress of the United States are so badgered and pressured as to make it almost impossible for them to any longer exercise their own free will and judgment in deciding whether or not a certain bill should be reported out of committee. If the American people continue to tolerate this type of pressure, it must essentially follow that eventually our entire system of representative government will be destroyed.

In spite of this unprecedented pressure, the bill, H.R. 11222, had a most difficult time gettin out of committee. May I point out that the Committee on Agriculture consists of 21 Democrats and 14 Republicans with a majority of 7 in favor of the majority party. The bill under consideration was so bad and controversial that 3 members of the majority party on the committee absolutely refused to vote for the bill. They stood firm and steadfast in support of their honest convictions and I salute them as great Americans.

God give us men.
A time like this demands strong minds, great
hearts, true faith, and ready hands,
Men whom the lust of office does not kill,
Men whom the spoils of office cannot buy,
Men who possess opinions and a will,
Men who love honor, men who cannot lie.

After three desperate attempts, the bill was finally reported out of committee by a vote of 18 to 17 with one member of the majority party who had voted to report out the bill publicly stating after the vote was had that he expected to vote against the bill if it came to the floor of the House. I am convinced there were others on the majority side who were most unhappy because they had to go along. So, when you boil it all down, pray tell me who is actually advocating this legislation except Secretary Freeman and the Dr. Cochrane crowd who have apparently sold President Kennedy a bill of goods? The American Farm Bureau, the largest farm organization in this country, is drastically opposed to this legislation. The American Grange has been strangely silent since its leaders gave a lukewarm endorsement to the bill several months ago. The Farmers Union, to say the least, is quite passive in its support of the legislation. In fact, the president of the National Farmers Union wrote President Kennedy a rather sharp letter when the original bill was introduced in which he took the President to task for failing to live up to his campaign promises made to the farmers of America.

In fact, there is no appreciable support for this legislation. No clamor or demand for this bill on the part of our farmers whatsoever. My heavy mail from all sections of the country clearly indicates that the overwhelming number of our farmers don't want the kind of regimentation and controls provided for in this bill. I will yield to anyone right now who wishes to stand up and declare publicly that he or she is being begged, implored, or pressured to vote for this legislation. Every farm poll I have seen clearly indicates that farmers want no part of this legislation. I call your special attention to a recent poll taken by the Farm Journal, one of the most reputable of our farm publications. A ballot was submitted to its readers which set out three specific proposals on which farmers were asked their views and opinions. The choices submitted were as follows, and I quote from the ballot:

1. Compulsory Government quotas on what I could sell, or how much land I could farm; stiff penalties, support prices at, or above, present levels.

2. Expanded voluntary land-retirement program to cut crop production; no compulsory quotas or allotments; with supports on crops at a level to stabilize markets but not add to surpluses.

3. Get the Government clear out—no controls, no price supports.

The final tally of 64,560 ballots showed only 4 percent of the farmers in favor of the compulsory quotas which is the heart and core provision of the feed grain section of this bill; 43 percent of the farmers were in favor of land retirement and 53 percent wanted to get the Government clear out.

Again I ask, who wants this legislation except those who want to regiment and control the American farmer as a part of the overall scheme for a managed economy in this country?

Let us first turn to title I of the bill. This is a brandnew proposal which establishes broad authority to spend Federal funds on recreational facilities of all sorts. This would permit a farmer to put in a fish pond, build docks on inland ponds and lakes, establish camping areas, picnic areas, ball diamonds, golf putting ranges, set up a merry-go-round or an amusement park on his land with the Federal Government participating on a cost-sharing basis. The theory of all this is to permit the farmer to somewhat augment his income. There is nothing said in the bill, however, about protecting private enterprise from competition from these new Government ventures. Furthermore, no one knows what the actual cost of this new type of operation would be. There is nothing in title I which indicates just who could use these recreational facilities if once established. Would the facilities be available to everyone irrespective of race, color, and previous condition of servitude, or would they be segregated areas? The language of title I is silent on this question and the administration up to now has been ducking the issue. This new boondoggling proposal might well be eliminated from the bill without doing very much harm and, incidentally, so doing would save the taxpayers a lot of money.

Title II of the bill relates to agricultural trade development or Public Law 480. This title proposes an amendment to Public Law 480 which would allow the Secretary of Agriculture to purchase agricultural commodities he deems to be in surplus directly from private stocks and then donate these commodities to needy people overseas.

This proposal is also a new venture which is wholly inconsistent with the original intent and purpose of Public Law 480. This law was enacted to provide for the orderly disposal of surplus agricultural commodities and a very good record has been made in that regard.

Now it is proposed that we embark on a worldwide welfare program coupled with new and additional authority given to the Secretary of Agriculture. If this administration wants to embark on a worldwide welfare program, let it do so through the medium of the State Department or the Department of Health, Education, and Welfare but don't let it set aside the original intent of Public Law 480.

Title III of the bill provides for an amendment to marketing order legislation which would exclude potatoes for dehydrating from the coverage of marketing orders. This proposal is obviously processor oriented. The proposal was never brought up or discussed in the open hearings on the bill and potato farmers were never given an opportunity to present their views on it.

Title V relates to the Farmers Home Administration. It would amend the basic law by providing for the addition of recreational loans to the Farmers Home Administration program. This new authorization and extension of authority would appear to be rather unwise at this time. The many applications for Farmers Home Administration loan funds already creates an overburdening demand. In fact, the Farmers Home Administration now has more applications for regular loans than it can process. Therefore, it seems rather foolish to add new burdens to this agency of Government. This title also includes sewer loans to municipalities. Such a program would be a complete duplication of the legislative authority contained in several other statutes. I doubt very much whether it would be advisable for the Federal Government to now also go into the sewer business.

The most controversial part of H.R. 11222 is title IV which deals with commodity programs involving feed grains, wheat, and dairying.

The wheat farmer will receive a reduction of income under H.R. 11222. His diversion payment will slide down from 50 percent in 1963 to zero by 1966. The producers on about 10,000 farms in the West where weather presents a huge risk are currently able to store excess wheat from a previous year to be applied to a future year's crop. They will no longer be able to have this measure of protection against the elements.

Each step of wheat production, processing, and export would be tightly policed. Farmers, processors, taxpayers, and consumers would all be required to bear the burden of this broad tax program.

This bill is the most harsh and vindictive measure ever aimed at the small wheat farmer, who is discriminated against in voting and in marketing. The so-called small farm exemption is really a small farm deception.

Marketing certificates are denied to those small farmers electing to use the so-called small farm exemption provided for under the bill, meaning that small growers could not even plant up to the farm wheat base without losing the right to receive certificates and the right to sell wheat for food and for export.

The dairy provisions of H.R. 11222 are the ineffective remnants of the original dairy control plan. While the bill now only calls for payments, the administrative machinery and the program data for the control program would be established for subsequent controls. The real foolishness of the proposed dairy plan lies in its complete and obvious ineffectiveness. In fact, the dairy part of the bill is a fine example of life on the New Frontier. It proposes to pay the dairy farmer $2.50 per hundred pounds if he reduces his production this year below 1961. Of course he could sell his cows to his neighbor who would increase the amount of milk he would produce. In the end we would have just as much milk as before and would have spent a few million dollars from the U.S. Treasury. The ultimate objective of course is complete control of the dairy industry in the future.

The most controversial and startling part of the bill relates to the proposed new control program for feed grains. The feed grain farmer is compelled to take certain acres out of production and is required to accept acreage allotments and marketing quotas on feed grains in order to get price supports. This is the first proposal in the proposed referendum which affords the farmer no choice whatsoever. The alternative is no price supports. If the referendum fails, the farmer gets no price supports which means the rug is pulled right out from under him. In 1954 Congress repealed marketing quotas on corn as being absolutely unworkable and House Report No. 1927 of the 83d Congress relating to H.R. 9680 on page 26 of the Committee on Agriculture stated as follows:

Consistent with the committee's conviction that no single formula will provide stability for all branches of agriculture, but that many of the individual commodities require programs tailored to their particular problems and situations, the committee has devoted a considerable amount of time to the study of a different type of price-support program for corn. Corn has its own particular conditions that are different from any other basic commodities. First, since approximately 80 percent of the corn produced in the United States is fed on the farm and, therefore, never reached commercial channels, marketing quotas and similar marketing control measures on corn would be virtually impossible to enforce. Although the law has provided authority for marketing quotas for many years, they have never been invoked by the Secretary.

On page 27 of the committee print the committee said:

Marketing quotas have never been applied to corn in the past, and it has been generally felt that the administrative difficulties involved in such a program would be prohibitive. Successful enforcement would amount to rationing not only the corn sales of each producer in the commercial area, but also the amount of corn which he would be allowed to feed his livestock.

In Senate Report No. 1810 on S. 3052 of the 83d Congress, the report reads as follows:

Sections 303, 304, 307(c), and 308 repeal authority for mandatory marketing quotas for corn. This authority has never been used and it is generally believed that corn quotas could not be made to work on a satisfactory basis in view of the small percentage of the crop which is marketed as corn.

These statements in the reports clearly set out the marketing quotas for corn are unworkable and cannot be enforced. In 1958 Congress repealed acreage allotments on corn. Marketing quotas and allotments were repealed by both Republican controlled and Democratic controlled Congresses for a good reason—they were simply unworkable.

H.R. 11222 would reimpose both acreage allotments and quotas on corn, oats, rye, barley, and grain sorghum. Marketing quotas can be made to appear to work on crops like cotton or tobacco because all of the production of these crops can be put on the market for sale to merchants and processors. This is not true of the feed grains for some 80 to 85 percent never leaves the farm. They are fed to livestock. Thus the marketing quotas are relatively meaningless. In spite of this long required distinction H.R. 11222 would establish a farm marketing quota for every eligible feed grain farmer in America. A violation of this quota would result in a civil penalty based on the whole production of the farm—or the actual production—times 65 percent of the parity price. It would take an army of Government investigators and officers to police this feature of the bill alone. Pray tell me how marketing quotas can be followed into livestock. Of course the ultimate objective of the planners in this regard is the complete control of all livestock, dairy, and poultry products. If you do not believe this is true let me remind you of part 7 of H.R. 6400 considered by the Committee on Agriculture last year, which proposed marketing quotas for all of our 256 agricultural commodities. That bill provides specifically for marketing quotas for hogs, cattle, lambs, chickens, turkeys, whole milk, butterfat, and eggs.

H.R. 11222 is permanent legislation and marketing quotas for feed grains once imposed would never be removed. The next logical step of course would be the complete control of our entire livestock industry. This apparently is the plan of the Freeman-Cochrane thinkers who apparently want to regiment and control our entire agricultural economy.

Let me emphasize again that these feed grain controls would be ineffective since about 85 percent of feed grains are fed to animals on the farm. Harsh civil penalty would result from violation of feed grain quotas even though a farmer fed his own grain to his own animals on his own farm. Income of feed grain farmers would drop since diversion payments would be reduced to zero by 1966 with an increase in price support. Feed grain farmers would be faced with an impossible referendum choice between the restrictive administration program and Government dumping of some one-third billion bushels of feed grain on the open market. This "blackjack" provision makes a complete mockery of the referendum process. This is a punitive provision which in effect says to the farmer if the referendum fails, this is what you get for not voting right. If farmers failed to vote right, there would be chaos in the Farm Belt.

Many thousands of feed grain farmers—most of them smaller growers or farmers in deficit areas—would not be able to vote even in the referendum. This discretion against small growers is another intolerable gimmick in an effort to rig the outcome of the referendum and is not comparable to a referendum under any other commodity program.

It is contended that these feed grain proposals are similar in nature to regulations that have been in effect for many years for such crops as tobacco. The inference is that anyone who supports the present tobacco, rice, cotton, and peanut programs should favor the proposals contained in H.R. 11222 for feed grains, wheat, and dairy products. This is merely an effort to confuse the issue.

There are many special circumstances which differentiate tobacco from feed grains, wheat, and dairy products. Tobacco is heavily taxed. It is not a feed or a raw material used in the production of other farm products. It is not fed to livestock. It is less perishable than most farm commodities and, in fact, must be aged before it is used. It is not yet threatened with serious competition from substitutes and synthetics. The producers' market is dominated by a few large domestic companies and foreign monopolies. The acreage involved is small. In 1960 farmers used only 1.1 million acres for the production of all types of tobacco, but they planted 144.5 million acres to the four major feed grains, an additional 54.9 million acres to wheat, and another 31.2 million acres to soybeans, rye, and flaxseed—crops that compete with other grains for acreage and markets. Thus, feed grains, wheat, and oilseeds involve a total of at least 230 million acres.

The problems involved in attempting to control production on 230 million acres of grain spread all over the United States are vastly different from the problem of controlling production on 1.1 million acres of tobacco located in a few relatively small areas.

Rice and peanuts are also small acreage crops grown in relatively small local areas in contrast to feed grains, wheat, and dairy products which are produced over wide areas and in large amounts.

The inference that the regulations proposed for feed grains, wheat, and dairy products are similar to those now in effect for tobacco, cotton, rice, and peanuts glosses over the problems that have arisen in the cotton and rice programs and the fact that there are some important differences between existing programs and those proposed in the pending legislation.

If producers of cotton, rice, or peanuts were to vote against controls, those who cooperate with acreage allotments would still be entitled to price support at 50 percent of parity and to protection against the sale of CCC stocks for unrestricted domestic use. In the case of cotton, the minimum CCC sale price would be 115 percent of support—57½ percent of parity—plus carrying charges if quotas were disapproved.

Cotton, rice, and peanuts all have statutory minimum allotments; but in the proposals for wheat, feed grains, and milk, there are no provisions for minimum national allotments.

No existing commodity program includes the controls on diverted acres now being proposed for feed grains and wheat. We are certain that the acceptance of control programs on the part of the producers of tobacco, peanuts, rice, and cotton would have been substantially different had there been control of diverted acres on these crops comparable to that proposed for wheat and feed grains under H.R. 11222. No other commodity is subject to a three-price plan such as that currently proposed for wheat. No other commodity program is operated on a basis that would make it as difficult for producers to escape penalties as it would be under the proposed dairy program.

There is no reason to assume that it is either practical or desirable to extend the same regulations to all commodities. However, if it is to be assumed that the existence of any particular commodity program justifies the application of similar programs to other crops, adoption of pending proposals for feed grains, wheat, and dairy products might well set a precedent for the extension of similar provisions for diverted acre control and penalties to tobacco, cotton, rice, and peanuts.

Serious problems did arise under both the cotton and rice programs. Both are heavily dependent on expensive export subsidies as is the case with wheat. In the case of cotton, the export subsidy has created a serious competitive problem for our best customer—the domestic textile industry. Cotton is also faced with increasingly serious competition from synthetics and foreign growths.

As the bill now stands, it appears that farmers could stay out of the feed grain program and plant their entire grain acreage to soybeans and still get price supports on this commodity. This is like jumping from the frying pan into the fire.

Now I want to discuss the phony politically motivated committee amendment which would exempt feed grain farmers in so-called deficit areas from cutting down on their production.

The single most discriminatory and unjust provision in this entire bill is this so-called feed deficit amendment. This politically motivated, hastily drawn gimmick was inserted into the farm bill at the last minute as a committee amendment in an attempt to buy one vote. It

is now being proclaimed as manna from heaven for the South, the Northeast, the West, and other normal feed deficit areas. I urge every one of you who represents a feed deficit area to carefully study this amendment. You will see it is not an exemption at all. You will be allowed only to produce up to the amount you produced in 1959 and 1960. You just might not, however, have to cut back as much as we in corn-sorghum belts will have to.

I say might not because the Secretary will have to make four findings before he can excuse a so-called deficit area. He must find a hardship. He must find an undue increase in prices. He must find a disruption of normal farming and he must find that his action will not impair the objective of the act—whatever that is.

As a representative of the greatest corn State in America, I can only express resentment that a supposedly national administration would bow to political opportunism and sectional favoritism to the extent of saddling my feed grain farmers with the overwhelming burden of feed grain controls.

Mr. Chairman, I would like to draw to your attention a map which is based on data supplied by the U.S. Department of Agriculture. It shows for 1959 and 1960 the feed surplus and the feed deficit States. A feed surplus State is one which produces more feed grains than human and animal population consumes. A feed deficit State is just the opposite. Its population consumes more than it produces. By looking at the map you will see that in 1959 there were 13 feed surplus States. These were: Iowa, Montana, North Dakota, Minnesota, Nebraska, Kansas, Texas, New Mexico, Missouri, Illinois, Michigan, Indiana, and Ohio.

In 1960 there were in addition five more States which were feed surplus States. They are: South Dakota, Oklahoma, Kentucky, Maryland, and North Carolina.

In other words some 13 to 18 States are surplus feed grain States and 32 to 37 States are deficit feed grain States.

Now what does this mean in terms of this bill? The Department says that the classification of States as feed surplus or deficit is not a satisfactory guide in determining the so-called deficit areas. That may be true. The bill says areas which might be States, counties, or farms, and I think we all recognize that even though California may be a feed deficit State, certain counties or areas within that State are heavy producers of feed grains.

What this map shows is that the 18 shaded States will in the main most certainly be declared surplus areas and thus subject to the mandatory controls and cuts in production. Farmers in these States will not be excused that is for sure. I do not think anyone will contend that any part of Iowa could possibly be a feed deficit area—nor Illinois—nor Nebraska—nor Kansas—nor Ohio—nor most of these other feed surplus States.

Perhaps for example the Upper Peninsula of Michigan could be classified a deficit area even though the State of Michigan is a surplus State, but this would certainly not be the general rule in these 18 States.

But whatever the classification may be, this much is perfectly clear—some feed grain farmers will have to cut their acreage, some will not.

Whatever the exception may be whereby certain counties in California, Georgia, or New Jersey are classified as surplus and thus not allowed to escape the acreage cuts and controls imposed by the bill, one thing is clear. Every feed grain farmer in the corn-sorghum belts will have to pull in his belt an extra notch for every farmer somewhere else who is excused from cutting back.

Now a word about feed grain penalties. Whenever farm marketing quotas are in effect with respect to feed grains, the farm marketing excess shall be regarded as available for marketing and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 percent of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop, which will mean both the tenant and landlord, is jointly and severally liable for the entire amount of the penalty on the farm marketing excess. Until the producers on any farm pay the penalty on the farm marketing excess of any crop of freed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

Furthermore, until the penalty is paid, each bushel of feed grains produced on the farm shall be subject to the penalty which penalty shall be on each bushel of feed grains which is sold by the producer to any person within the United States. The bill specifically provides that the buyer of the grain shall be responsible for the penalty which he may deduct from the price paid to the producer. However, if the buyer fails to collect such penalty, the buyer and all persons entitled to share in the feed grains or the proceeds thereof shall be jointly and severally liable for such penalty. The persons liable for the payment or the collection of the penalty are also charged 6 percent interest from the date the penalty become due until the date of payment.

I said that this exception was a phony and it is. Over one million small feed grain producers, almost all of whom feed every bushel they produce on the farm will be limited and strictly limited under this bill in their production of corn—even corn for silage—as well as grain sorghums. No feed grain farmers—I repeat no feed grain farmers—will be exempt. It is true that those who produce less than 25 acres of feed may elect not to vote in the referendum—in which case they will be excluded from any cutback—but they will still be limited to their 1959–60 base in what they produce, no matter how small they are.

How in the world can this be construed as an "exemption"? For more than a million small farmers will not be exempt. They will be strictly limited.

Therefore, I appeal to every Member of Congress from Iowa, from Minnesota, from North Dakota, from Montana, from Nebraska, from Kansas, from Texas, from New Mexico, from Missouri, from Illinois, from Michigan, from Indiana, from Ohio, from South Dakota, from Oklahoma, from Kentucky, from Maryland, and from North Carolina, whether you be a Republican or a Democrat. You are doing a grave injustice to the farmers of your district and State if you vote for H.R. 11222 with this deficit area amendment in it. It is unfair and unjust.

Mr. Chairman, let me say that I do not see where H.R. 11222 is going to save one dime. The new and expanded programs in the bill are obviously going to result in increasing expenditures. The wheat and feed grain programs appear to be no less expensive than programs now in existence and the new dairy program would waste millions.

Whatever justification H.R. 11222 might have, it certainly does not rest on its cost features.

There has also been some talk lately about the Billie Sol Estes case and its impact on this legislation. I have seen and heard arguments that the Estes scandal would help H.R. 11222 be enacted. This is ridiculous. What greater folly could there be than to give the very agency that is currently under investigation by Congress and the Justice Department sweeping new authority. The Agricultural Conservation and Stabilization Service is deeply involved in the Estes case. The Assistant Secretary of Agriculture who was in charge of this agency and his chief assistant have both been fired. A Deputy Administrator has resigned. A career employee of the agency has made serious charges against his superiors. A woman secretary was forced to undergo psychiatric examination because of the case. In addition, numerous shifts have occurred, and just recently three South Dakota ASC officials were fired for accepting favors from a Minneapolis seed company.

In spite of the dark clouds of doubt hanging over the ASCS, this bill seeks to place the destiny of the wheat and feed grain farmer in this agency. Farmer confidence and public trust cannot be expected until the Estes investigation is completed.

Remember, Mr. Chairman, Billie Sol Estes built his financial house of cards by acquiring cotton allotments from all over the country and by storing surplus grain. There is nothing in H.R. 11222 which will correct the basic situation which gave the Estes empire an opportunity to prosper. The complex wheat certificate plan alone contains the seeds for sprouting a hundred Billie Sol Estes cases.

At the proper time I propose to offer a substitute for title IV of the bill.

The substitute would strike from title IV of the bill the proposed new programs for feed grains, wheat, and dairy products and replace these proposals with a

voluntary feed grain program, an extension of the existing wheat program for 1 year, a new wheat and feed grain disposal program, and authority for the Secretary to extend expiring Conservation Reserve contracts:

Here are the major provisions of the substitute:

A. FEED GRAINS

First. Extends the present voluntary feed grain program for 1 more year, but makes these important changes: (a) Prohibits the dumping of surplus feed grains back into the domestic market for less the 5 percent above the current support price, plus reasonable carrying charges; and (b) make payments in kind to participating feed grain farmers in lieu of price support, thus preventing wholesale shuffling of the CCC inventory.

B. WHEAT

First. Extend the present wheat program for 1 more year, but require the Secretary to appoint a wheat study commission to explore the feasibility, advantages, and disadvantages of a new permanent wheat program which would treat different classes of wheat under different legislative and administrative provisions.

C. FEED GRAIN-WHEAT DISPOSAL—SELLING THE SURPLUS TO FARMERS

The Secretary would make contracts with farmers on a voluntary first-come-first-served basis for the retirement of all the annual production of wheat and feed grains on the farm in return for the opportunity to buy at attractive prices these surplus grains held by the Government.

D. CONSERVATION RESERVE

Authorizes the Secretary to extend expiring Conservation Reserve contracts for periods from 3 to 10 years beyond their scheduled termination dates, thus preventing millions of acres which are now retired from coming back into crop production.

This substitute will afford members of the committee an opportunity to vote for a voluntary program instead of the rigid control program provided for in title IV of H.R. 11222. Although many Members of the House voted against the original feed grain program and the present wheat program last year, they may argue that it would appear inconsistent for them to now vote for my substitute. May I point out, however, that when you voted on the feed grain bill last year you were not confronted with compulsory retirement of acres and the reimposition of acreage allotments and marketing quotas for feed grains. In voting for my substitute you will have to determine whether you want to continue with the voluntary program which has done some good in spite of its many shortcomings in preference to title IV in H.R. 11222 which will place the farmer under the strictest regimentation and control ever sought to be imposed on our feed grain farmers.

In conclusion may I say that there is nothing in this bill to help preserve the small family size farm everyone is talking about. It stands to reason that the small farmer is the one least able to cut down on production while at the same time the cost of his farm operations continues to increase. I believe it was one of Secretary Freeman's advisory committees which reported "we have to face up realistically to an agriculture of fewer and more efficient farms which can provide suppliers with good incomes from food prices around present levels. Migration to the cities would be encouraged." This proposal was set out in the original version of the legislation now before the House but was eliminated. In other words, I interpret the Secretary of Agriculture and his advisers saying to the small farmer "we will move you to the city because there is not enough pie to go around."

I said before that this bill for all practical purposes would require the feed grain farmer to procure a Federal license in order to operate his own farm. I will prove that statement by words from Secretary Freeman himself. This is what Secretary Freeman and Dr. Cochrane told a small group of farm editors at a luncheon at the Department of Agriculture cafeteria during a briefing on the administration's farm plan as reported in the June 1962 issue of Successful Farming, the leading farm publication in the State of Iowa. After a series of questions and answers about transfering another's marketing quota and further pointing out how quotas and allotments would become capitalized into land values, the interview wound up as follows:

Question. I don't think there is much turnover in tobacco allotments. There are 122,000 allotments in North Carolina. It has been pretty constant.

COCHRANE. People hang on to them. But other people are trying to get them. I know this.

Question. Since you have used this example, the Chevrolet agency tends to issue a franchise for a certain area—at least there is not going to be another Chevrolet agency set up next door. And that is what he pays for. Now, then, are we going to say that you, in essence, are giving a franchise to the farmer to operate?

SECRETARY. In a sense, I suppose that is true.

Mr. Chairman, H.R. 11222 should be defeated. It will not increase the farmer's income. Why place him under strict regimentation and control if he is only to remain status quo as far as income is concerned? There is no bargaining power in this deal. The bill will result in higher prices to the consumers, it will place the American feed grain farmer in a straitjacket from which he will never be released. Do not forget this is a permanent legislation and controls once imposed on the feed grain farmer will never be removed.

No matter how you doctor up this bill it will finally be written in conference. The end result of course will be the Senate version of the bill. Therefore, the only recourse for those of you who do not want to put the feed grain farmer into a straitjacket, is to vote against the bill. Otherwise it may be too late.

The control of feed grains will ultimately and surely result in the complete control of livestock and dairy products with the net result of higher prices to the consumer. This bill will give the Secretary of Agriculture more discretionary authority than any other Secretary of Agriculture in the history of this country. There is no clamor for this legislation, no one wants this bill except the economic planners who want a regimented economy in this country.

I beg of you not to shove this legislation down the throats of our farmers. They do not want this ever-expanding, ever-powerful Federal Government to tell them when to sow and when to reap. Thomas Jefferson once said in his autobiography written in 1787:

Were we directed from Washington when to sow, and when to reap, we should soon want bread.

Do not let this happen in the United States of America.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. LATTA. The gentleman has very graphically pointed out the situation in the deficit area on this map. I ask the gentleman if it is not always true that we have heard a lot and will hear more about the voting privileges contained in this bill giving the farmers a free choice to decide for or against this program? This bill, speaking specifically of the deficit areas on page 40, lines 16, 17, and 18, provides as follows:

Such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

All of these deficit area people will not have the right to vote.

Mr. HOEVEN. The gentleman is correct, they will not have the right to vote if this bill becomes law.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. MACK. The gentleman mentioned my name in the course of his statement. I was not able to hear his remarks immediately prior to that time. But I certainly want the record to show the right answer to my question.

I am wondering if the gentleman did agree with Chairman COOLEY that no Member of Congress offered this land retirement program in the course of the proceedings had in executive session.

Mr. HOEVEN. I believe that is correct.

Mr. POAGE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, just a little less than a year ago, on September 11, 1961, a man by the name of Martin Sorkin wrote a letter to another individual named Maynard Wheeler. After discussing at some length how he felt he could prevent the development of the administration's farm program, he stated:

Against this background, the Republican National Committee and the chairmen of the House and Senate Republican campaign committees held a secret meeting, to which I was invited. The objective of this meeting was to develop the basis for a continuing attack on the administration's efforts on the farm front. It was agreed that it was not the responsibility of the Republicans to propose solutions but to criticize the administration wherever feasible. This included varying the basis for the attack depending upon the area political situation.

Four days later the same gentleman wrote to the same Mr. Wheeler and referred to another meeting. He does not say whether it was secret or not, but he names a number of distinguished gentlemen who met with Governor Rockefeller in Ithaca, N.Y., in about 1961, in a private, off-the-record meeting. This time he said:

The purposes of the meeting were to present to the Governor and his top aids the most up-to-date facts regarding national agricultural policy, to explore with him the position he should take on agricultural issues, and the means for getting significant information to him.

Then, after saying:

In my presentation I pointed out to the Governor (1) the tremendous costs and the maladministration of the present special agricultural programs, (2) the administration efforts to strangle the agricultural production and marketing system, (3) the real objectives and implications of the supply management concepts, (4) some of the techniques that were used to defeat the major attempt by the administration to impose controls and supersede the congressional prerogatives, and (5) the vulnerable points in the administration program.

He says:

Governor Rockefeller learns quickly. He is a good listener and is constantly seeking the factual basis for statements.

Now, I mention this letter by this individual, who was formerly Assistant to the Secretary of Agriculture in the Eisenhower administration, and merely suggest that this will give you a key to much of the proceedings that are going to take place in the next 2 or 3 days. Here is the former Assistant to the Secretary of Agriculture writing of secret meetings which he has attended with the high officials of the Republican Party telling us in so many words that it was decided that there was no responsibility on the part of the Republican Party to offer anything but merely to try to embarrass the administration at every opportunity.

Mr. Chairman, we just listened here a moment ago to an effort to embarrass the adminstration; not to present something but to embarrass. This is completely in keeping with the agreement as reported by Mr. Sorkin. You are going to listen in the next two or three days to more proposals that have no intention of helping the farmers but merely to embarass the administration. You are going to have the Powell amendment dug up on the banks of the upper Mississippi. You are going to have every sort of amendment that has nothing in the world to do with agriculture thrown out here in the hope that it may embarrass the administration and may prevent the passage of this legislation.

At the same time you have the word of the former Assistant to the Secretary of Agriculture that the Republican Party met and decided that they had no responsibility to offer anything constructive but merely to embarrass the administration. I believe that these letters clearly explain the purpose behind these blind and pointless attacks.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to ask whether or not the minority members of our committee offered any constructive suggestions during the consideration of the bill.

Mr. POAGE. That was brought out here just a minute ago. The gentleman from Illinois asked the gentleman from Iowa if there was anybody in the committee who offered this proposal which the gentleman from Iowa felt was so meritorious as a substitute for this proposal, and the gentleman from Iowa said he did not believe it happened.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I do not care to yield to the gentleman as yet. I care to make a statement. I did not interfere with my ranking minority leader when he made his statement, and I ask only the same consideration.

Now, Mr. Chairman, let us face it. I know it is rather embarrassing to discuss these closed meetings but let us just sit still a little while. No, Mr. Chairman, I do not care to yield.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

The gentleman from Texas [Mr. POAGE] will proceed.

Mr. POAGE. Mr. Chairman, I regret exceedingly that the gentleman from California was unable to increase my audience but I appreciate his efforts. However, I do feel that all of us should bear in mind the nature of the amendments, and the nature of the discussion that is due to take place. This is not simply my interpretation. I have placed no interpretation on it. I have simply given you the interpretation of the former assistant to the Secretary of Agriculture who says he attended the secret conclave of the Republican Party. I did not attend these secret meetings. That is his interpretation. He was the man who says that there will be nothing constructive coming from the other side. He said it was not their responsibility. He is the man who said they were simply interested in embarrassing the administration, not I, although I think that history indicates the former assistant to the Secretary of Agriculture was well advised, that he knew what he was talking about, and that he was but following a rather long-established policy.

Mr. Chairman, those of us on the majority side of the committee felt that we do have a responsibility. I have been a member of that committee for close to quarter of a century. I have felt that I had a responsibility on that committee at all times and I want to say in order that there may be no misunderstanding that there was a day when a great Republican sat as the chairman of that committee. I felt a responsibility in those days. There was fine cooperation on both sides of the aisle at that time, and it worked to the everlasting benefit not only of the farmers, but of the economy of the United States.

Mr. Chairman, so long as the Honorable Clifford Hope presided over that committee, we never saw this attitude of no responsibility on the part of anyone. Those of us on the majority side still accept that responsibility.

We have a responsibility to farmers, to taxpayers and to consumers. I think that we owe all these groups a responsibility. This bill attempts to meet that responsibility to all of those groups, attempts to meet it to the farmers by applying to feed grains basically the same principle and giving to them the same tools that we previously gave to other segments of agriculture. We have long ago given to cotton producers, to peanut producers, to rice and tobacco producers, the opportunity to balance supplies of their commodities with demand, through a two-thirds vote of those producing the commodities.

A great many years ago tobacco growers turned down quotas. That was in 1938. They have not turned them down since. I do not think that cotton producers, rice, or peanut producers ever turned down quotas although there have not been controls every year because on several years the Secretary did not invoke quotas.

We gave to the wheat growers the opportunity to balance supply and demand, but we put a limit of 55 million acres, below which we could not reduce wheat production.

Agricultural technology has advanced just as rapidly as the technology in any other segment of our economy, even more so. The result has been that whereas 55 million acres was a reasonable figure 15 years ago, it is no longer a reasonable figure. This bill recognizes that fact and allows wheat producers to balance their supply with demand by removing the 55-million-acre floor. It does the same thing for feed grain producers. And I would call your attention to the fact that is exactly what we have done for all other segments of our economy.

Suppose you try to establish a truckline between here and Baltimore. Everyone knows that he cannot do it unless he can convince the Interstate Commerce Commission that there is an unfilled demand for the service. Suppose you try to establish a bank in your hometown, and I am sure you will soon find that you cannot do it unless you can prove that there is a demand in excess of the supply of banking facilities at that point right now. Suppose you try to produce crude oil in this Nation in excess of the proration laws and you will find that the Connally hot oil law prevents you from moving it in interstate commerce.

Everywhere there is an effort to balance supply and demand. Labor has learned the same thing. What do you think the 40-hour week is for? What do you think the call for the 30-hour week is for? To balance the supply of labor with the demand for labor. All other segments of our economy do this. Why should not the farmer have the right to do it?

Oh, the answer is given, and I have heard it repeated at least six times here by the previous speaker, and he repeated it out of the textbook, out of the form arguments because he read it the same way each time; according to them, it puts the farmer in a straitjacket.

How many of you consider compulsory education as placing the children of this Nation in a straitjacket? I believe that today every State in the Union has compulsory education, requires our children to attend school. Does it put them in a straitjacket? Are we going to repeal it because it puts them in a straitjacket? What do you think the oil proration laws do? What do you think the labor laws do? Do you want out of that kind of straitjacket? Do you want to go back to the days of 1931?

I was farming then and that is what finally convinced me I had better sit under an electric fan in town, because it was so much more comfortable than farming in that free economy.

What we are trying to do here is to make the law of supply and demand work in favor of the farmer rather than against him.

I was surprised that the gentleman who preceded me did not mention the law of supply and demand. That is one thing he overlooked in the book. It is in the book. If he will reread his instruction book he will find that it is there. The book says, "Congress is trying to repeal the law of supply and demand."

There may be those who do not understand the law of supply and demand. Maybe I am one of them. But if I understand the law of supply and demand, it goes something like this: If you increase the supply without changing the demand, the price is going to go down; but if you increase the demand without increasing the supply, the price will go up. That is essentially the law of supply and demand; is it not? What we try to do is say that law should work for farmers; that is, balance that supply and that demand and we will maintain a fair, stable price.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. POAGE. We attempt to achieve this balance between supply and demand by giving the farmers an opportunity to vote quotas on themselves if they want to. We give to the grain farmers the same opportunity the cotton farmers have. The Secretary under the terms of this bill will first determine each year what the probable need for feed grains will be. Having made that determination, he then determines how many acres we will need. If he finds that our current acreage is going to produce more than we are going to need he proclaims quotas and the farmers are then given an opportunity to vote. It takes a two-thirds majority of them before you can get quotas.

I know you have heard that this program puts the farmer in a straitjacket; that it confers dictatorial powers on the Secretary. You have heard that. Oh, yes. But it requires a two-thirds vote of all of the producers who are involved to determine that they are going to have such quotas. If they vote these quotas, then they are allowed to produce all the feed grain that is necessary to supply the United States, less about one-seventh. The reason for that is to try to draw down some of the stupendous surplus we now have on hand. We feel we ought to reduce those surplus stocks.

In January 1953 the Commodity Credit Corporation held only 423,400,000 bushels of feed grain. In January 1961 it held 2,100 million bushels. Since the enactment of the voluntary feed grain reduction we have been able to reduce that by approximately 250 million bushels. These figures show only the Government-held grain. There is, of course, in addition a substantial volume of grain in private hands. The Government also holds well over a billion bushels of wheat.

This grain was accumulated under the program of Government support for unlimited production of feed grain. I have repeatedly protested against such a program, but these protests are always met by the argument that if we make support prices low enough that will control production. Low prices do not control production. Faced with low prices, farmers must try to make up in volume what they are about to lose in price. Even if the individual farmer is forced into the relief lines of the city, a better financed operator takes his place on the land and the land continues to produce. The surplus production goes into Government warehouses so long as there is a Government support program.

The President spoke the other night, speaking of all commodities, not simply feed grains, and said that we are presently spending over a billion dollars a year. One of the members of the Appropriations Committee told me last week it was $1,300 million a year to carry those tremendous stocks of surplus commodities.

Is that sound business? Is that fiscal responsibility? Is that dealing fairly with the taxpayers? I do not think so. I think we owe the taxpayers a better break than that. I think we owe them the obligation of cutting down that stupendous cost. Well, you cannot cut it down unless you cut down the production of feed grain because we are producing a quarter of a billion bushels more of feed grain than we feed each year.

How are you going to cut it down? We suggest that we balance supply and demand and that we cut down our supply by 100 million bushels below the demand so that we can feed this out of surplus into the market without doing violence to the producer. Is that not the first real effort you have seen toward fiscal responsibility for the taxpayers? Is that not the sound way of stabilizing the producers' prices? Is not that the effective way of seeing that consumers get all they need at a fair price? Are we not dealing responsibly with consumers, with producers and with taxpayers? I believe the answer must be that we are—we are dealing responsibly with these people.

We are doing the things that we say America should do. I know there are many nitpickers in this House as well as over the Nation who are trying to find fault with this comma or with the crossing of this "t" or to strike out a semicolon somewhere. It is easy enough to nitpick. It is easy enough to find some way to criticize the administration. It is easy enough to say that you should have brought something else before this Congress—that you should have done it in some other way—that you should have crossed this "t" with a slant instead of directly across it. Oh, these things are easy enough, but they do not get results. They do not stop the accumulation of these surpluses. They do not cut down the taxes. They do not stabilize farm prices.

We know this bill is not 100 percent perfect. We know this bill ought to be amended in many places and I am sure it will be amended somewhat on the floor. We know that this bill will be changed from time to time after it is enacted. But had we better not enact some sound fundamental legislation and get it on the books? Is it not about time that we began to work on a sound basis of balancing supply and demand? That is basically all we are asking of this House today, to balance supply and demand so that the law of supply and demand will work for the people of America. That is what we want to see done.

Now I would like to speak on one or two specific items. I know everyone of you have heard the charge made, oh, if you control feed grains, you are going to control livestock. Yes, you have heard it. I do not know if you have read it or not, but everyone of you has received this kind of letter. Now let us analyze that a minute. And I do it as one who was reared on a ranch 30 miles from the nearest railroad and as one who has been in the cow business since I was 10 years old, and fortunately I am still in it. I have enjoyed the last few years just as well as anybody else. I know we have had good prices for livestock—certainly. Do you know why? About half of us who have been in the business have not thought about why we have had good prices.

I will tell you why we have had fair prices for livestock. Because the U.S. Government has removed from the market approximately a quarter of a million bushels of feed grain every year. Now let me ask some of you who are in the livestock business. What do you think your calves would bring in the next 2 years if the price of corn were to drop to 50 cents this fall and stay down there for the next 2 years?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes, I will be glad to yield.

Mr. JENNINGS. Let me say to the gentleman from Texas that I know exactly what would happen. For the first year we would see heifer calves selling for more than steer calves; we would see all the people—rather than marketing

their current and surplus grain buying livestock, and we would see the largest flood of livestock on the market that we have ever seen in the history of this country. Also we would see the lowest prices we have ever seen in the history of the country.

Mr. POAGE. I appreciate the statement of the gentleman from Virginia who I know is in the livestock business himself and is a businessman. Had the grain the Government has been putting in warehouses gone onto the market it could not have gone anywhere except into livestock—oh, with a deferential gesture to my friends from Kentucky I realize some would have gone into whisky, but that would have been inconsequential. Basically all of the feed grain produced goes to the production of meat and livestock products. You simply cannot get away from it. Had this quarter billion bushels gone on the market each year it would have been added to the tonnage of meat that was going onto the market to such an extent that the prophecy of the gentleman from Virginia would unquestionably have been brought about, because the price of livestock must go down if you produce substantially greater quantities than the market can absorb.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. I yield.

Mr. JENNINGS. We might point out also that it would not necessarily follow that the housewife would be given cheaper meat as a result of that, because in the case of wheat we have seen the price of wheat go down and down to the farmer, but the price of bread go up and up to the consumer. So the mere fact that we would have an excess and oversupply of meat would not necessarily mean that the housewife would get it. In all probability she would not get it.

Mr. POAGE. The gentleman is absolutely right.

Mr. JENNINGS. There has never been a time in the history of this country when we have had cheap beef and low priced livestock or vice versa over a long period of time.

Mr. POAGE. The gentleman is absolutely right. When wheat sold at $3 a bushel you got bread for 13 cents a loaf. When wheat sold for $1.80 a bushel you paid 24 cents a loaf for the same bread. In the State of New York today the dairy farmers are drawing less money for their milk than they did 10 years ago yet the housewife in New York City is paying 150 percent of what she was paying then.

No, the fact that we might see the livestock industry go broke would not assure any of our consumers of lower prices. It would simply mean another depression in the United States.

If the livestock people want to prevent regimentation and control of livestock—and I want to prevent it—I think it is clear that the sound way to do it is to maintain a proper balance between supply and demand of feed grains, because when you balance the supply of feed grains you also maintain stability in livestock.

There is one more argument I want to nail. It was barely mentioned by the previous speaker, the suggestion that this bill carries with it some kind of penalty or club to be used against farmers if they vote down the referendum. We suggested that the bill provides that in the event the referendum fails that the Secretary may sell on the open market from the surplus supplies of feed grains not to exceed 10 million tons per year. That is approximately 300 million bushels, approximately one-seventh of what we now have in storage. In other words, it limits the Secretary so that it would take him 7 long years to eliminate the existing surplus. I cannot conceive of going much further in order to protect farmers whether they vote for or against a referendum. We say that the Secretary cannot dump his 2 billion 100 million bushels of feed grain on the market, but that it will take him 7 years to dump it.

How long do you want the taxpayers of America to pay for this support? How long do you want Billie Sol Estes and his kind to be drawing money from the Federal Treasury? How long do you want to give anyone, no matter how honest, and most grainmen are honest, this advantage, I ask you seriously? If you do not eliminate this surplus in some manner, those people are going to continue to draw that billion dollars a year, and there is not any other alternative.

When you vote against this bill you are going to be voting to continue our present wasteful pile up of unneeded feed grains. You are going to be voting to continue a billion dollars a year of utterly useless expenditures. You are going to have a boondoggle such as this country has rarely seen. If you vote against this bill you vote for a return of the act of 1958 with price supports on unlimited production.

I do not believe the membership of this House wants to follow such a policy.

On the other hand, if you vote for this bill you do not confer power on anybody. You simply give the producers of this Nation an opportunity to decide by a two-thirds majority whether or not they want to have the same kind of controls on feed grains that they have repeatedly expressed themselves as wanting on cotton, on wheat, and on other commodities.

I believe this is a fair bill, and I hope the House will adopt it.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, I am going to discuss this bill later in the debate and give you my views on it, but in view of the fact we were not privileged to ask a former speaker any questions because he refused to yield, my only opportunity to answer some of the questions that he asked is by taking 3 minutes' time from our own side.

This gentleman asked the question, and I think it is a good question. Do you think it is fair to the taxpayers to pile up billions of dollars in surplus commodities and pay rent on them, I do not think so, and I did not think so at the time he advocated those bills. Every single bill since 1953 I know of that has been passed by the House was brought out by the same majority that has brought this bill out. On almost every occasion I heard the gentleman from Texas make just as excited a speech in support of those bills that piled up the $9 billion worth of surpluses as he made in support of this bill today. I did not think that was cricket at that time. Most of thes bills I voted against. Most of these bills he supported, and he supported them because they would do the very same thing he says this bill will do. But instead of doing the things he said they would do, they have piled up $9 billion worth of surplus commodities.

He blames that on Secretary Benson because he said it was in 1953 when all those surpluses started. I cannot recall Mr. Benson ever getting the majority side of this House to pass one single bill of his during the 8 years he was Secretary. I do recall the chairman of the Committee on Agriculture saying to the Secretary one day, "Mr. Secretary, we have given you everything in the world except what you want."

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, since coming to Congress it has not been my opportunity to have listened to too many misleading statements on the floor of this House. Certainly, I have not had occasion to listen to one which was or is as misleading as the one we heard just a moment or two ago by my colleague, the gentleman from Texas, Mr. POAGE. And, I respond to those statements because reference was made to some of the activities and some of the evidence that has been submitted to a committee on which I serve and is presently exploring the activities of Mr. Estes.

Now, first, I think it is right that we identify the person about whom he was speaking, and I refer to Mr. Sorkin. And, let us remember that he is an agricultural economist. He was hired for that purpose. That was his assignment. He at one time was with the Department of Agriculture. Yes, he left there in 1956, and if my recollection is correct, he came to the Department prior to the Eisenhower administration.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Minnesota.

Mr. QUIE. Was the gentleman you speak of, Mr. Sorkin, ever Secretary of Agriculture or Assistant Secretary of Agriculture or Under Secretary of Agriculture?

Mr. LANGEN. No; he was not.

Mr. QUIE. The gentleman from Texas who preceded you, Mr. POAGE, called him a former Secretary of Agriculture, at times Assistant Secretary of Agriculture, and I think this does an injustice to any man who served under the Eisenhower

administration as Secretary or Assistant Secretary.

Mr. LANGEN. I thank my colleague for his contribution.

Now, in his capacity as an agricultural economist he wrote the letters referred to, and here we find one of the oldest tricks in the books being used in which they read a part of a letter in order to create an impression. However, I am kind of glad the gentleman did, because, very frankly, by his so doing, I think he kind of let the cat out of the bag. Those of us who serve on this committee have been wanting to get into other areas of this investigation, namely, cotton allotments, and, members of the Department of Agriculture who have been very directly involved. On this we have been precluded, and we have suspected for a long time that the reason for so doing was to try to set the stage for the passage of the bill that is before us today. Obviously the wisdom of that thought is clearly evident at this time.

Now, let me resort to exactly the same kind of tactics that were used, and I want to read a part of Mr. Sorkin's letter in which he says this:

> In my presentation I pointed out to the Governor the tremendous costs and the maladministration of the present special agricultural programs, the administration efforts to strangle the agricultural production and marketing system, the real objectives and implications of the supply management concepts, some of the techniques that were used to defeat the major attempt by the administration to impose controls and supersede the congressional prerogatives, and the vulnerable points in the administration program.

Yes, this is also a part of that letter, and maybe there is some real wisdom in there, because when we look at the experience, what do we find? And, this is an area in which our committee ought to certainly be doing its best work. Let us not forget that cotton allotments constitute the biggest violations as far as the Department or Mr. Estes is concerned. The reference of Mr. Sorkin to maladministration is in evidence in numerous other instances which I shall refer to later.

But Mr. Chairman, we have not been able as yet to get into that field. This is where the fines are being levied which they do not know whether they can collect. This is where we have seen the degree of favortism that was extended to him. But, oh, we have shied away from that, for fear of exposing the many scandals that have come to light in recent weeks involving the Department of Agriculture.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. LANGER. It is evident here at this point that one of the reasons we have shied away is because they wanted to use this kind of material to promote an agricultural bill today.

Mr. Chairman, perhaps we ought to be cognizant of the facts: There have been other and numerous areas of the same kind of discrepancies dealing with allotments. We had one in Minnesota. The Chairman of the ASC Committee there had to be removed because he was juggling allotments and directing payments to him to which he was not entitled. We have had the same kind of experience in Montana, in South Dakota, in Iowa, California; yes, and in Texas, if you will. All of them involving grain storage, allotments, and quotas. Yes, I recognize that the gentleman is a very honorable and a very dedicated man, and I know that the gentleman wants to do like I do, make sure that we practice honesty in government, that there is not any kind of favoritism displayed in that area. If the gentleman so desires, I would suggest to him that he help us and assist us in exploring and bringing to light the discrepancies that have occurred in this field rather than trying to make a political matter out of only partial evidence, and for the purpose of passing the measure that is now before us. If we want more cases like that of Mr. Estes, the bill before us will surely promote such opportunities.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. Yes; I shall be glad to yield to the gentleman from Minnesota.

Mr. NELSEN. In dealing with the cotton allotments, the obvious illegality of the operation was dealing with quotas and traffic in quotas. Is it not fair to assume, if we get into a quota system all over the Midwest in our feed grain area, we will have an open invitation for a recurrence of that very same traffic in quotas of feed grain?

Mr. LANGEN. Of course, the gentleman is so correct. One of the reasons that they have been hesitant to discuss allotments and quotas is for that very purpose, because the bill that we have before us further emphasizes and further brings on restrictions and penalties that people are going to have to comply with, even to the point where we see that in the areas of new farms or people who want to move into that field, they are going to have to get their allotments from some other source, and obviously it is going to bring about a bargaining in the field of allotments. This is where the big area of controversy is concerned. I repeat once again; if we want to explore these hearings, then I suggest we do it in the manner that I have prescribed, so that we might eliminate further scandals, such as that of Mr. Estes and his relationship to the Department of Agriculture.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. BREEDING].

(Mr. BREEDING asked and was given permission to revise and extend his remarks.)

Mr. BREEDING. Mr. Chairman, I rise in support of H.R. 11222 and especially in support of the wheat section of this bill. This is good, sound, and progressive legislation.

The Members of this body know of my longstanding interest in bushel controls on wheat. The Members of this body also know that I, in cooperation with many of my colleagues on both sides of the aisle, have introduced bills providing a bushel control for wheat in each session of Congress since I joined this body.

Last summer, I introduced H.R. 9131, which provided a bushel management plan for wheat. The proposed legislation with respect to wheat contained in this pending measure is so similar to the bill which I and my colleagues introduced that I find it difficult to understand why any of the Members who introduced the bushel management plan are not supporting this measure wholeheartedly.

The only significant difference between the bushel management plan as originally introduced and this present proposal is in the price of wheat to consumers. That plan, which I sponsored, called for a wheat price approaching parity, whereas the price of wheat to consumers in the present proposed legislation will be about the same as the effective price of wheat for this year.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 119]

Adair	Flood	Lindsay
Addonizio	Fountain	Loser
Alford	Frazier	Mason
Aspinall	Frelinghuysen	Merrow
Auchincloss	Garland	Moulder
Barrett	Garmatz	Multer
Bass, N.H.	Gary	Powell
Bennett, Mich.	Glenn	Rains
Blitch	Green, Oreg.	Randall
Boykin	Halleck	Riley
Bray	Harrison, Va.	Roudebush
Brewster	Hébert	Saund
Bruce	Hoffman, Mich.	Smith, Calif.
Buckley	Holifield	Smith, Miss.
Celler	Horan	Spence
Corbett	Ichord, Mo.	Stubblefield
Curtis, Mass.	Jones, Ala.	Thompson, La.
Davis, Tenn.	Kearns	Tupper
Dowdy	Kelly	Wilson, Ind.
Fallon	King, Utah	Yates
Farbstein	Laird	
Fascell	Lesinski	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11222 and finding itself without a quorum, he had directed the roll to be called, when 369 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BREEDING. Mr. Chairman, I believe that the wheat producers of this country are entitled to full parity for their product; however, I have reluctantly agreed to this lower price in the effort to maintain the stability of the national economy and to prevent any material increase in the cost of living to our consuming public.

The National Association of Wheat Growers, the National Grange, and the National Farmers' Union who, in cooperation, originally developed the bushel management plan, testified before our committee that this pending legislation is so nearly the same as the original bushel management plan that they fully support this pending measure.

This measure which we are considering today applies a market control feature to wheat which is so essential to a stable economy. It limits the amount of wheat which can be sold for food and export to the amount which the trade can absorb, less a reasonable quantity to be purchased by the trade from the huge stocks now in Commodity Credit warehouses. This in effect permits the law of supply and demand to work for the producer instead of against him. It will guarantee a stable supply of wheat to the consumers at a reasonable price and will maintain the purchasing power of farmers so that they in turn can buy the products of our urban areas.

Residual wheat production on the farm which cannot be absorbed by the trade for food and export will find its way into supplemental uses such as seed, feed, and industrial uses. The price of this residual quantity of wheat, however, will be established at a level comparable to the price of feed grains.

Two important facts which we must always keep in mind in dealing with this wheat legislation are:

First. Most wheat producers are also producers of feed grains.

Second. It makes no difference in the total feed grain output whether the farmer who is producing wheat as a primary crop produces corn, barley, oats, rye, or wheat on his feed grain acres.

This was a fundamental concept of the bushel management plan and it is retained in this bill. Even though acreage allotments for wheat are established under the terms of this bill, there is also a provision that wheat produced on feed grain allotments acres can be classified as feed grain, and vice versa, feed grains can be grown on wheat allotment acres if the feed grain producer so desires. This provision in the bill, for the first time, provides the farmer the freedom of choice to plant on his acres, after making the necessary reduction from his total reductive capacity, the crop best adapted to his soil and equipment. This is a great step forward in the concept of production controls, by applying the controls to the total output of the grain producing unit rather than to each individual grain crop.

Secretary Freeman has assured the committee that this sbustitution will be permitted to the maximum extent possible, and only if he determines that this substitution is detrimental to either the wheat or feed grain programs will he limit the degree of substitution permitted.

There seems to be some question in the Secretary's mind, however, as to whether this substitution should be freely permitted in the unlikely circumstance that the feed grain program is voted down in the referendum. I believe that it should be clearly spelled out that it is the intent of Congress that this substitution is to be permitted even in that unlikely event, provided the producers substituting wheat for feed grain limit the total production of grain on the farm to the extent that would be required had the feed grain program been approved in the referendum.

For many years under the old wheat allotment program, provision was made to permit producers in high-risk areas, such as my own, to plant wheat in excess of the allotment and store it under bond to provide a stable supply of wheat for the farmer to sell in those years in which his crop failed because of drought, hail, or other natural causes. This provision is of the utmost importance, not only to the producers in the high plains area where crop failure is so frequent, but also to the consumers who, year in and year out, require a stable supply of the high quality wheat grown in this area. This provision authorizing the seeding of wheat acres in excess of the allotment and the storage of such excess wheat was not included in H.R. 11222. I had intended offering an amendment to the pending legislation to reinstate this storage provision in the bill. I find, however, that this provision is contained in the bill passed by the Senate, S. 3225, and therefore I will not offer this amendment at this time. But I urge the House to accede to the Senate bill in this respect when the two bills go to conference.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman from New York.

Mr. SANTANGELO. I thank the gentleman for yielding.

We who come from the urban areas are interested not only in the plight of the farmers, but we are also interested in the affairs of the consumer. I would like to ask the gentleman this question: Assuming that this bill fails of passage in the House, and assuming further that there will be no other legislation considered or passed in the House at this session, and we do have reason to believe that there will be no further legislation, because of the fact that the former Assistant to the Secretary of Agriculture, Mr. Sorkin, said there would be no cooperation on the part of the Republicans; what, then, would be the system under which the farmers of this country would operate, and under what law, and further, what would be the effects of the passage of this bill?

Mr. BREEDING. Mr. Chairman, in answer to the gentleman's question, the wheat farmers of our country would revert back to the old 1958 act. This was the program we had prior to this administration, which was administered by Secretary Benson. It had 75 to 90 percent of parity and 55 million acres for wheat allotment.

Mr. SANTANGELO. In other words, there would be a subsidy on wheat within the 55-million-acre allotment throughout the United States?

Mr. BREEDING. That is right.

Mr. SANTANGELO. And assuming this bill passed and was submitted to the farmers of America for their consideration and the farmers rejected this program in their referendum, under what law then would the farmers of America be operating?

Mr. BREEDING. In answer to that question, as I understand it, if the farmers turned down the program in a referendum, they would be practically without a farm program and would revert back from nothing to 50 percent of parity, providing they stayed within the 55-million-acre allotment.

Mr. SANTANGELO. In other words, there would be a small subsidy for the farmer, if the farmers defeated the proposal in a referendum.

Mr. BREEDING. I am not sure I understand the gentleman's question.

Mr. SANTANGELO. Perhaps I can get this clarified by the chairman of the committee. What would the situation be if the farmers rejected the bill in a referendum?

Mr. COOLEY. If the bill is defeated, we would return to the old Benson program under which we accumulated these surpluses and sustained these losses. But if the bill is passed and it is submitted to the grain farmers, this proposition of making adjustments, in a referendum, and rejected, then they have no price supports at all.

Mr. SANTANGELO. If the bill passes and the farmers approve the bill in a national referendum, what would be the situation, what would be the program under which the wheat farmers of America would be operating?

Mr. COOLEY. The program which is contained in this bill.

Mr. SANTANGELO. In other words, a planned production that does not have anything to do with the 55-million-acre allotment.

Mr. COOLEY. The 55-million-acre floor is removed.

Mr. SANTANGELO. Under this bill would the taxpayers of America be saved some expenses in the storage of wheat, as well as in the overall cost of the farm program for the farmers?

Mr. COOLEY. Very definitely.

Mr. SANTANGELO. How much of a saving would there be for the taxpayers of America if this bill is passed and the farmers approve the program in a referendum?

Mr. COOLEY. We estimate about $600 million.

Mr. SANTANGELO. So that we in the cities who are interested in economy for the taxpayer and the consumer would find that it is in our interest to eliminate some of this waste in this program by passing this bill and hope that the farmers see the light of day and approve it in a national referendum?

Mr. COOLEY. I think the gentleman is exactly right. My estimate is that we will save around $1 billion a year if these programs are approved.

Mr. SANTANGELO. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman from Illinois.

Mr. MICHEL. The gentleman from New York [Mr. SANTANGELO] is a member of our Subcommittee on Agriculture Appropriations. This year, the 1961 feed grain bill cost $782 million with only 24.7 percent of the acreage involved.

Mr. SANTANGELO. Mr. Chairman, if the gentleman will yield, is it not a fact that only 50 percent of the feed grain farmers have come within the program and the other 50 percent have refused to come in and are producing at an unlimited rate, which creates the glut on the market?

Mr. MICHEL. That point we are not arguing. We are arguing another point in the legislation before us. That is, you put everybody in the program, so you have a balance over and above only one-fourth of the base acreage allotment, and it is costing $782 million. Under this bill, if you have 100-percent participation, how can the Secretary come back and say that it is only going to cost $500 million?

Mr. BREEDING. Mr. Chairman, I refuse to yield further. If these gentlemen want to discuss the matter further, they will have to do so on their own time.

Mr. SANTANGELO. Mr. Chairman, I would like to get an answer to this question from the Chairman, if I can. How can we save this money which runs into the millions of dollars? Will the Chairman answer that?

The CHAIRMAN. The time of the gentleman from Kansas [Mr. BREEDING] has expired.

Mr. FOGARTY. Mr. Chairman, as always when farm bills come before this Chamber, I intend to make my position clear. I think most of the Members of the House are well aware of my unbroken record of opposition to farm legislation which calls increasingly for more money from the Federal Treasury and which moves always in the direction of regimentation of farmers.

My position is unchanged now. I am well aware, as we all are, of the claims made by the supporters of this legislation that it will save money for the taxpayers. On the basis of the record, I cannot accept this argument. The record refutes the claim, as any close look at the budget of the Department of Agriculture will verify.

Last year, the Department of Agriculture came before us and said that passage of the emergency feed grains and wheat legislation would save money. This year, we find this same Department is spending $1 billion more than it did the year before to replenish the funds of the Commodity Credit Corporation. One billion dollars more—and yet, we are buried with all sorts of figures which seem to try to say, "Oh, that's right, we spent more money, but think of how much more we would have spent if we had not had the emergency legislation."

And now, here we are, faced with H.R. 11222, a bill it is claimed will save money for taxpayers, increase farm income, and cost the consumer nothing. If we think but for one moment I am sure all of us can readily come to the conclusion it is simply impossible to save tax dollars, increase farm income and keep food prices stable—all in one blow.

I have a deep concern for the farmers of my district because they struggle under adverse agricultural conditions. They are farmers in one of the most urban districts in this country. But, they seek no special favors. They seek only that they not be made to pay for special favors given farmers elsewhere.

But, in a much broader sense, my concern is for the consumers, not only of my district, but of the Nation.

It is my firm belief that the wheat provisions of this bill embody a "bread tax"—and anything that even suggests that kind of a tax should be of great concern to those of us who represent the urban areas.

I do not use this expression "bread tax" loosely. I realize it is a serious statement. As I see it, this bill contains provisions that would tax American consumers more than $164 million a year for their daily bread.

As I understand this bill, marketing certificates would be distributed to farmers. These certificates would be issued to wheat farmers on the basis of an estimate of each farmer's share of that wheat which is used for human food in this country, and for export.

I am informed that the probable value of these certificates would be between 60 and 80 cents per bushel of wheat—this is on the basis of a wheat price support of $2 or more a bushel.

I am attempting here to avoid intricacies, but I must admit that is difficult, if not impossible. These certificates would be parceled out to millers on the basis of their use of wheat. In effect, the millers would be forced to buy these certificates at predetermined prices, even though "noncertificate" wheat of comparable or better quality might be freely available at substantially lower prices.

I can understand how a miller might try to mill the cheaper noncertificated wheat—it would be cheaper to him by from 60 to 80 cents a bushel, though it would be illegal for milling purposes.

But—and the intricacies should not be allowed to cloud the main point—the cost of these certificates would constitute a bread tax. It would be a tax—not a premium paid for high-quality wheat.

And, within this question of quality lies another big reason for my objection to this bill because it contains language that would give a grower of dog biscuit wheat the same pro rata share of the high-priced wheat market as the grower of high-quality wheat used for human consumption. How long since does a man who produces quality shoes have to take a piece of the low-priced sneaker market? I did not realize we had gone so far in this matter of farm legislation that we have started to tell producers of high-quality food they must—by law—take a percentage of the dog biscuit market. How stupid can we get?

To get back to the main point:

The miller would have to include the cost of these certificates in the price of the flour he sells to the baker—and when we talk about bakers that is when the problem gets right home to me and to all of us.

I already have explained that the bread tax would be somewhere between 60 to 80 cents per bushel of wheat.

Assuming that 67 1-pound loaves of bread can be made from 1 bushel of wheat, the bread tax would amount to a direct charge of about 1 cent per 1-pound loaf of bread—or a cent and a quarter on a 20-ounce loaf.

Now, that gets pretty close to my voters, and to all voters.

We must remember that the average daily consumption of bread in the United States is about 45 million 1-pound loaves. At 1 cent per loaf that bread tax would cost consumers $450,000 every day—not counting the cake tax and the doughnut tax, the cookie tax, the spaghetti tax, the cracker tax, the Danish pastry tax, and the French pastry tax.

And it gets worse. Not only would our consumers pay a tax on the bread and pastries they buy, they also would pay an extra on bread eaten by Danes in Denmark and Frenchmen in France—in cases where wheat products in those countries are made from American wheat.

The reason is this—our export sales of wheat would be subsidized and, of course, that subsidy is paid by our taxpayers. The cost of maintaining our wheat exports under the program would dwarf the domestic bread tax. It would cost our taxpayers nearly a billion dollars a year to subsidize the export of wheat not only for dollar sales but for give-away programs.

Mr. Chairman, I could go on with the reasons for my opposition to this legislation—or anything like it—but I return to my basic reasoning that it simply is impossible to lower Treasury costs, increase farm income and leave food prices stable—all in one swoop. It just cannot be done.

Mr. Chairman, there appeared in the Wall Street Journal of June 19, 1962, an editorial based on an article published in the New York University magazine, Challenge. This magazine published an article on farm economics, written by Prof. Hendrik S. Houthakker of the Harvard School of Economics. I commend this article to all, urban or country, for the very great truths it pinpoints. Professor Houthakker writes clearly and pointedly.

The article follows:

ECONOMIC MYTHOLOGY, COUNTRY STYLE

Since President Kennedy is so eager to have fresh and sophisticated thinking on economic problems, we are happy to relay some suggestions on the farm program—from a source which should appeal to Mr. Kennedy.

Harvard Economics Professor Hendrik S. Houthakker, writing in New York University's Challenge magazine, criticizes the Kennedy administration's supply-management approach to agriculture, which he describes as "centralized control of output under Government-sponsored cartels." It is no solution, and, like other past "solutions," it is based on defective analysis of the problems. Agricultural policy rests on an assortment of fallacies.

There is, for one, the farm income fallacy, the notion that aggregate farm income should rise proportionately to nonfarm income. This has no economic substance, and, as Professor Houtakker observes, "to keep up farm income by keeping up farm prices is impossibly expensive in the long run."

Then we have the good old family farm fallacy, the darling of the farm bloc in Congress. The professor deals trenchantly with this belief that at all costs the family farm must be preserved as a way of life: "Whatever moral virtue there is in independent country living will be eroded if it can be achieved only by Government handouts, no matter how disguised." Anyway, a lot of the Federal benefits go not to family farms but to big enterprises.

Next comes the acreage fallacy, the belief that production can be controlled by re-

stricting acreage. Farmers have been disproving that for decades, but the Government persists in trying it. For one consequence, Mr. Houthakker notes that the very costly emergency feed grain plan of 1961 had only a very slight effect on feed grain output.

Still another fallacy is the idea that agricultural research will improve the farmer's lot. The greater productivity that comes from research, the professor writes in his commonsense way, will not help farmers so long as all of them stay on the farm.

In addition, there is the free market fallacy—the theory that farmers are too numerous and too weak to bargain effectively. Actually, this has little to do with income distribution, and in the Houthakker view the administration's "supply management" is unlikely to strengthen the farmer's bargaining power. It is, he comments, "on a level with the medieval guilds in terms of economic sophistication: it protects the inefficient at the expense of the efficient."

According to a further fallacy, the farmer's declining share of the consumer's dollar is the fault of some conspiracy of middlemen. "But the simple truth is that farm products are reaching the consumer in ever more highly processed form. Indeed, if the 'middlemen' were powerful enough to deprive the farmer of his just reward, they would be making a much bigger profit than they do."

Last is the fallacious belief that the purpose of agriculture is to provide an income to farmers rather than to supply the world with food and fibers, and the corollary that only the farmers should decide output and prices. Professor Houthakker, who doesn't mince many words, says this is akin to the corporatist societies of Mussolini and Hitler, "even though its American proponents have no conscious affinity to fascism."

His own proposal for an alternative farm policy is along these lines: Let farm prices return to levels at which supply and demand would reach equilibrium without surpluses or tighter controls. To cushion the initial shock, he would have the Government make acreage payments, but only for a limited number of years.

Whether one agrees or disagrees with that particular proposal, the point is that alternatives do exist; the Nation is not immutably doomed to continue farm policies founded in ignorance.

Anyway, we thought President Kennedy would like to know that there is no lack of fresh insight on economic problems in this country. And that the things he objects to—economic mythology and tired slogans—are splendidly exemplified in his own administration's farm program.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

(Mr. DAGUE asked and was given permission to revise and extend his remarks.)

Mr. DAGUE. Mr. Chairman, today we have under consideration H.R. 11222, the so-called Food and Agriculture Act of 1962. I come from one of the rich agricultural areas of this great country and therefore represent an area vitally affected by this legislation.

This bill has many ramifications; however, I would like to discuss briefly four parts of the bill having to do with land use, feed grains, wheat, and dairy.

Much could be said about the land use title of this bill. Everyone is for the proper use of land and I am for any program that does so. However, I am concerned about the provision in the land use adjustment part of this bill and its effect on local people. In my area, and I am sure it is true in other areas, many private individuals and private organizations using their own financial resources have established various kinds of recreational and wildlife areas. This includes such things as the swimming pools, fishing areas, game preserves, and similar recreational facilities.

Now under H.R. 11222 we are going to provide these private individuals with direct competition from the U.S. Government. Under the proposal contained in this bill the Secretary of Agriculture would have broad authority with the use of Federal funds to develop land use programs. Some of the recreational areas that might be developed with Federal money would be in direct competition with those developed by private capital. I am very much concerned about this possibility and hope that Members of the House will give this point serious consideration.

While the land use parts of the bill are important, the really significant parts of the bill, from my standpoint, involve feed grains, wheat, and dairy. My section of Pennsylvania is one of the important dairy and livestock parts of the country. We produce substantial quantities of corn, wheat, oats, and other feed grains. Practically all of these feed grains are produced and consumed right on the farms. You will find many family farms which are in the dairy and livestock business that produce practically all of their own feed. This may take the form of silage, corn, or wheat.

Because this is so important to my district I would like to outline my reasons for being opposed to this legislation. In my opinion the mandatory control programs for feed grains and wheat that are being considered would be the ruination of the family farms of my district. For that reason I am opposed to this bill and urge that it not be adopted in the interest of preserving a free, prosperous agriculture.

The feed grain part of this bill as far as I am concerned is a monstrosity. As I have indicated above, many of the farmers in my district produce the feed for their own livestock. There is no real choice for them in the referendum. Either they accept the administration's control program or take nothing but the threat of the Secretary of Agriculture to dump substantial quantities of feed grain on the market. This is not a fair kind of a choice to offer feed grain producers.

In connection with the referendum, many of the feed grain farmers in my district would be ineligible to vote, yet they would be controlled by the Government. They are small producers. Under the proposal, as I understand it, farms with a feed grain base of 25 acres or less would not be subject to the program unless the producer elected to participate. This means that if, during the base period of 1959–60, a farmer had 18 acres of feed grains this would be his base acreage. He could plant his 18 acres and, therefore, not be eligible for land use payments or price supports or to vote. He could not raise more acres. However, if he were interested in price supports or land use payments, he would have to take his mandatory cut under the program so that the acres he could actually plant would be at least 20 percent less than the 18 acres that are his base.

Some of the proponents have indicated that a feed grain producer could grow up to 25 acres and still be exempt from the program. I wish this were true. However, it is not, if I read the proposal accurately. What it really means is that any producer who has a base acreage less than 25 acres would not be subject to the acreage cuts. If he grew only 20 acres during the base period, he could not grow any more without being subject to penalty. This is a serious matter in my district because of the fact that my farmers produce relatively small feed grain acreages. The penalties for these small producers of under 25 acres if they overplant their base or acreage allotment is extremely severe. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of parity price per bushel times double the normal yield or actual yield, whichever is lower.

I also understand that under the proposal feed grains harvested for silage are not exempt from the program. This means that the acreage of silage grown would be considered a part of the feed grain base. Many producers in my area grow corn for silage. This is only another example of why the bill is completely unworkable insofar as my farmers are concerned.

The so-called wheat certificate plan that is provided in the bill is also equally unsound and unworkable in my opinion. It proposes to provide a system of national quotas and certificates. The certificates would vary according to the use that is made of the wheat involved. This is not a new idea and in fact I am a little surprised that the New Frontiersmen have adopted such an old approach.

Under this approach the 15-acre marketing quota exemption and the 30-acre feed grain exemption would be terminated and producers would receive an acreage allotment based on their average crop of wheat in the period 1957–61. The elimination of the 15- and 30-acre exemptions is a serious matter as far as my wheat producers are concerned. They grow much of the wheat for feed purposes. This bill is particularly vicious because of its unfairness to these small wheat growers. They would be eligible to vote only if they signed in writing a promise to comply with the farm acreage allotments.

As far as I am concerned, the wheat provisions of this bill only mean less income and more restrictions to the wheat producers of Pennsylvania. This is another reason why I hope that the bill will be defeated.

While the feed grain and wheat provisions of the bill are unsound, probably the most unsound and most completely ridiculous part of the bill has to do with dairy. The administration in their original bill started out with a grandiose scheme to control the dairy industry through a system of marketing quotas. The dairy farmers quickly responded to this approach and made it clear that they were not interested in any kind of control program.

However, the planners in the Department of Agriculture were dead set on having the dairy industry under their control, but they were willing to take a year or two to get it done. So we have in this bill a provision authorizing the payments to dairy farmers who voluntarily reduce their marketings below 1961 or 1962. Producers would be paid $2.50 per hundredweight for this particular reduction.

The most significant thing that would happen under this program in addition to its ineffectiveness and costliness is the fact that there would be established on each dairy farm a quota. The Department, of course, would have to establish a quota in order to determine whether anybody had actually reduced their production. This is really what the whole exercise is all about. Once these quotas are established, even if only for the so-called voluntary program, they are there and can be readily used as a part of the control program another year.

Having been around and been exposed to some of the agriculture planners one can easily see what the next step would be. When the so-called voluntary program fails this year and turns out to be very expensive, they will come hurrying back to the Congress next January and say, "Look, the voluntary program failed—we must have controls over the dairy industry." With the quotas already established on the farms, they will be partly on their road to success.

This is exactly what happened in the case of feed grains. We had the so-called voluntary feed grain program for 2 years. It failed, as was predicted, so now we must have a control program. This will be the same pattern for dairy if we approve this bill.

However, I am opposed to a marketing quota program for the dairy industry. The provision of this bill is simply a means of getting this kind of marketing quota through the back door. This is one of the reasons I am opposed to this legislation and urge that it be defeated.

I am sure that before this debate is over there will be considerable discussion about the cost of various programs and how one program is more expensive than another. Frankly, the majority of farmers in my district have taken the position for some time that the best thing for agriculture would be to reduce the role of the Federal Government. They are for less government, not more. The bill we have before us today provides for more control. If the Cochranites are able to get control of the feed grain supply situation, this will then lead to their eventual control of our whole dairy, poultry, and livestock economy because if you can control the amount of feed grains that are available for use, you can by this device control the future of livestock, poultry, and dairy.

I am not for this approach. I am for an agriculture based on the rights of individual farmers to make their decisions based on what is in long-time best interest. I still have confidence in the judgment of the individual farmer to determine what is best for him. He still is a better planner of his own farm than any bureaucrat sitting behind his desk in the Department of Agriculture. Mr. Chairman, I urge the defeat of this legislation because I do not believe that it will benefit agriculture and will only provide the means of more Government intervention into an area where we already have more than is necessary.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

(Mr. JOHNSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, the dairy industry today is caught in a tightening squeeze between rising production and declining consumption. Since 1948, America's dairy farmers have produced more milk than can be sold through commercial channels. The excess has been purchased by the Government through price support and related programs. Since 1953, these Government purchases have exceeded $200 million a year and, in some years, have gone well over the $500 million mark.

In 1961, milk production went up 1.5 percent while milk consumption dropped alarmingly by 2.5 percent. The administration, the Department of Agriculture, and the dairy industry are taking positive steps to increase consumption with concrete and well substantiated assurances that our milk supply offers no hazards and continues to be one of the best sources of important nutrients for adults as well as for children. However, it will take time to undo the damage done to the milk market by the unfounded scare talk about radioactive fallout and cholesterol which has made milk its prime target.

Meanwhile, dairy surpluses continue to pile up. During the 1961–62 marketing year, which ended April 1, price support purchases made by the Commodity Credit Corporation removed from the market nearly 9 percent of the butterfat and 13 percent of the nonfat milk solids in the total farm sales of milk and cream. Included were 435 million pounds of butter, 194 million pounds of cheese, and 1,275 million pounds of nonfat dry milk. The estimated cost of dairy price support operations for the past marketing year comes close to $600 million.

Mr. Chairman, the Department of Agriculture is making every effort to utilize its stocks of surplus dairy products through donations for domestic and foreign school and welfare uses and through sales at greatly reduced prices for commercial and noncommercial export. However, the CCC's uncommitted stocks are increasing. On May 23 they totaled 302 million pounds of butter, 89 million pounds of cheese and 338 million pounds of nonfat dry milk. Department of Agriculture officials have told me that, despite their best efforts to find uses for these surplus dairy products, the problem of freezer space for CCC's accumulating stocks of butter may become critical before these stocks can be used.

Even with sizable Government expenditures to support the price of dairy products, the dairy farmer's income remains low. During the 1950's, returns on the farmer's and his family's labor ran as low as 30 cents to 50 cents an hour. In 1960, dairymen in Wisconsin's Ninth Congressional District, which I represent in Congress, received only 41 cents per hour for their labor.

Developments during the past year have emphasized the shortcomings of the present legislation—the Agricultural Act of 1949. It provides that dairy supports be set at such a level between 75 and 90 percent of parity as will "assure an adequate supply." As President Kennedy pointed out in his farm message to Congress, the Secretary of Agriculture had no choice under that law but to lower dairy supports to 75 percent of parity because of the obvious oversupply of dairy products.

Mr. Chairman, the lowering of dairy supports prescribed in existing law has resulted in a 10-percent decline in income for dairymen. With dairy supports at 75 percent of parity, dairy farmers' income will fall about a quarter of a billion dollars this year. In my home State of Wisconsin, dairymen will lose $30 million in the 9-month period following the mandatory lowering of supports on April 1. Minnesota farmers stand to lose $22½ million during the same period. And even with the lower support level, the CCC's dairy purchases this year are expected to approximate last year's record volume, with net expenditures again approaching the half-million-dollar mark.

To say that this is a serious situation would be the understatement of the year. Almost every State in the Union produces milk. It provides twice as much cash income for our farmers as any other basic crop. In addition to the farmers who produce milk, the dairy industry furnishes employment for almost 300,000 persons who process and handle dairy products before they reach the retail level.

Our present dairy problem has reached emergency proportions very similar to the feed grain emergency which we faced last year. Because of a lack of agreement among the various dairy organizations, dairy industry representatives, and Members of Congress, the formulation and enactment of a long-range dairy program is obviously going to be a lengthy process. Meanwhile, I strongly feel that we must deal with the immediate emergency in this vital industry.

Mr. Chairman, the House Dairy Subcommittee, of which I am chairman, put a great deal of thought and work into the formulation of the emergency voluntary dairy program that is part of H.R. 11222, the proposed Food and Agriculture Act of 1962. Under the provisions of the dairy surplus reduction proposal, which is similar to the 1961 emergency feed grain program, dairymen would be given an opportunity to sign a voluntary agreement to reduce their marketings of milk between 10 and 25 percent of their 1961 marketings.

For such reductions they would receive a surplus reduction payment of up to $2.50 per hundredweight from Commodity Credit Corporation funds. The exact rate of payment would be a rate which the Secretary of Agriculture

estimated would encourage voluntary reductions in marketings but could not exceed $2.50 per hundredweight. Since the cost to CCC of purchasing products manufactured from 100 pounds of milk, plus storage for a short term, adds up to about $4.20, the Government would save approximately $1.70 for each 100-pound reduction in milk production. The aid offered to cooperating dairymen under this plan would be in addition to the assistance all dairy farmers receive through price supports.

Mr. Chairman, small producers could receive payments for reducing milk production by 7,500 pounds a quarter, even if this amounted to more than the 25 percent limitation provided in the bill. Anyone who, for some reason, has already reduced his marketings since 1961 would receive payment only on a reduction of his current marketings.

A producer who failed to reduce his marketings to the extent required by his agreement would be eligible for payment on the quantity by which he actually reduced his marketings, providing such reduction is as much as 10 percent of his normal marketing level. However, the rate of payment would be reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

Dairymen could transfer their bases, called "normal marketing levels" in the bill, to other dairy producers. This would make it possible for agreements to be carried out to completion by heirs or other successors in cases of illness or similar emergency situations.

Farmers selling milk under Federal milk marketing orders would be affected the same as other producers. However, they would be permitted to credit all their marketings against surplus class milk. In this way, they would retain their full share of the class I value of the pool just as though their total deliveries had not been reduced.

If a long-range dairy program utilizing milk quotas is put into effect at a later date, dairy farmers who participated in the voluntary program will not be penalized with lower quotas because of production cuts under this program.

Mr. Chairman, enactment into law of this emergency voluntary program would give dairymen and legislators their first chance to see how a supply-adjustment program would operate in the dairy field. Currently milk is the only one of our important agricultural commodities which does not have such a program. In addition to reducing our gigantic surpluses of milk and dairy products, and the subsequent reduction in the cost of purchasing and storing them, this voluntary program could very well point the way in which future dairy programs should go.

When the members of the Dairy Subcommittee formulated this voluntary dairy program in March, we planned it as a 1-year program. At the time, it was expected that the farm bill would be acted upon very shortly in the House, so the cutoff date for the dairy program was set for March 31, 1963. Because of unforeseen delays in action on the bill, I strongly feel that it is necessary to change the closing date for the dairy program to September 30, 1963, as many dairymen would hesitate to sign up for a program which would last only 6 months. Furthermore, this would not be long enough to give the program a fair trial.

Mr. Chairman, I am offering an amendment to the dairy section of H.R. 11222 to extend the voluntary dairy program through September 30, 1963. My distinguished colleagues, Agriculture Committee Chairman HAROLD COOLEY and Vice Chairman ROBERT POAGE, agree with me that this amendment is necessary to insure the success of the dairy program. I urge my colleagues to join us in supporting H.R. 11222, its voluntary dairy program, and my amendment to insure that the program is in operation long enough to be effective.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

(Mr. JENSEN asked and was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, after many, many, days, yes, and nights, spent in making a deep study of the farm problem which has been a constant worry for many years to most of our farmers and the people generally, especially in the breadbasket of the United States, Iowa being in the center of that great food and feed producing area, I wrote a farm bill which I introduced on May 31 last.

I have sent copies and a full explanation of my bill, H.R. 11941, to hundreds of farmers in the Seventh Iowa District, and I can truthfully say that my bill has met with almost unanimous approval.

H.R. 11941 is a complete bill, easy to understand and to administer and which, if enacted into law, will quickly reduce the high price-depressing surpluses of feed grains at little cost while at the same time provide great benefits to our farmers nationwide, and do it on a voluntary basis with no penalties imposed on any farmer. Participation will be no problem because of the liberal benefits provided. Here, Mr. Chairman, are the principal provisions in my bill in a nutshell and in understandable language.

H.R. 11941 provides for liberal payment-in-kind to the farmers who reduce by at least 10 percent but not more than 33⅓ percent the number of acres they had in corn, oats, rye, barley, grain sorgham, soybeans, or flaxseed production on an average during the previous 2 years. Such reduction entitles a participating farmer to receive a Government certificate valued at 80 percent of the average previous 2 years' production on the idled acres.

This certificate entitles the owner of same to withdraw grain-in-kind from Commodity storage for his own use, or he can sell his certificate to a neighbor, grain dealer, or to any one else, except back to Uncle Sam.

For example, if the average yield of corn during the previous 2 years was 70 bushels per acre on the idled acres the farmer would receive 80 percent of 70 or 56 bushels of high feed value corn for each acre so idled, and if lower feed value corn is accepted the participant would receive more bushels in ratio with its feed value, should he elect to take the corn from CCC bins for his own use.

By this method it is estimated that the acreage reduction would be about 20 percent below the two previous years' production. Added to that reduction would be the automatic 20-percent reduction in available grain brought about by allowing 80-percent withdraw instead of the full 100 percent.

As I said at the outset that if my bill is made law it will, as you can readily and clearly see, quickly reduce the price depressing surpluses of all grain, and hence the price of grains will quickly stabilize on higher level and poultry and all livestock prices would in turn also stabilize on a higher price level, which is a national must not only for our farmers but for every American, since all wealth springs from mother earth.

My bill permits grazing on the idled acres for pasture only. Nothing in my bill affects the conservation reserve law now in effect, nor does it affect the present payments for certain soil conservation practices, and so forth.

The Secretary of Agriculture shall provide for sharing of certificates among producers on the farm on a fair and equitable basis.

My bill does amend the Watershed Protection and Flood Prevention Act in a number of respects.

First, it gives the Secretary of Agriculture the authority to assist local organizations in developing and maintaining a limited number of public recreational developments to be established under the small watershed program. It allows Federal cost sharing of not to exceed one-half of the cost of easements, rights-of-way and land for reservoir or other sites within the watershed area. It also limits the number of these recreation facilities which may be established in any one watershed to a maximum of three. If the watershed project contains less than 150,000 acres but more than 75,000 acres, no more than two such recreation facilities could be established. If the watershed project were less than 75,000 acres, no more than one such facility could be established. Under this provision of the bill local organizations or communities must take charge of and operate the new facilities. The Federal Government would not run the facility and the United States would not be allowed to acquire legal title to any land included in the recreation area.

Another provision in my bill allows the Secretary to advance funds to local organizations, upon the condition that these funds will be repaid with interest, to prevent the encroachment of other developments on potential watershed lands. This will, I hope, go a long way toward holding down costs of land which might be acquired by speculators or by legitimate businesses who might construct expensive facilities and buildings.

My bill also makes a change in the law to allow a more flexible criteria for determining Federal participation in the

small watershed and brings it more into line with other existing Federal programs.

Another important change that my bill makes in the small watershed program is to change the present flood prevention capacity limitation from 5,000 acre-feet to 12,500 acre-feet. What this means is bigger small dams. This provision will give the Soil Conservation Service a much greater opportunity for servicing low- and moderate-rainfall areas more effectively.

My bill also authorizes the Secretary to help local organizations to develop their water supplies for future use. With many of our small towns, particularly those in Iowa, growing at very rapid rates, it is important to look ahead to the day when the municipal water supply may be far in excess of present needs and thus build the capacity for that storage now when the cost is much cheaper than at a future time. My bill proposes to accomplish this by allowing the local sponsoring organization to defer the repayment of loans for developing future water needs for up to 10 years. Repayment with interest would commence as soon as the local community begins to use the water. The loan would have to be repaid in full within the life of the structure but in no event more than 50 years.

My bill also contains a number of technical amendments to the act which the Soil Conservation Service has requested. The most important one is to make it clear that the Federal Government may provide engineering services for municipal and industrial water supply on a reimbursable basis.

And, finally, my bill specifically makes the Watershed Protection and Flood Prevention Act and the programs under that act which are administered so capably and successfully by the Soil Conservation Service, clearly applicable to the 11 watershed projects authorized under the Flood Control Act of 1944. One of those 11 projects is the Little Sioux River Watershed. By tying the small watershed program in with the Little Sioux River project, every citizen and his children and grandchildren in western Iowa will derive many important benefits through the decades to come through the preservation, care, and enjoyment of our priceless soil, truly America's most valuable asset.

Now, in conclusion, I can only say that all who have knowledge of our farm problem and its causes will, I am sure, after studying my bill, come to but one conclusion, which will surely be that, if HR. 11941 is made law, the farm problem will soon be solved and over a billion dollars annually of our already overburdened taxpayers will be saved.

The taxpayers of the United States now own the huge supply of grains, it is all paid for, so I ask in all sincerity why not use it to solve the farm problems and pay the bill?

A copy of my bill, H.R. 11941, follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to establish and carry out a voluntary payment-in-kind land retirement program for the producers of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed.

(a) Such program shall provide for the payment of the annual rental through the issuance of a negotiable certificate which the Commodity Credit Corporation shall redeem in wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed under such terms and conditions as the Secretary may prescribe. The Secretary shall provide for the sharing of certificates among the producers on the farm on a fair and equitable basis.

(b) Such program shall include provisions for (1) the reduction of tillable corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed acres (and in the case of wheat, the farm wheat allotment) by at least 10 per centum, but not more than 33⅓ per centum, (2) the designation and idling of any acreage for which payments-in-kind are received, (3) the prohibition against producing any crops except grass for grazing only on such designated acreage, (4) the establishment of a protective vegetative cover on such designated acreage, (5) the prevention of any increased farm plantings of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed subsequent to participation in the program, (6) adjustments for abnormal weather, changes in the constitution of the farm, established crop-rotation practices, and participation in the Great Plains or Conservation Reserve programs, and (7) necessary limitations on participation to prevent displacement of farm families and to avoid insofar as possible adverse effects upon the economies of local areas: *Provided,* That nothing in this Act shall be construed to impair the eligibility of a farm for Agricultural Conservation Program payments: *Provided further,* That nothing in this Act shall be construed to prevent the grazing of livestock on acreage diverted from the production of corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed.

(c) Payments-in-kind under such program shall be based upon 80 per centum of the average annual yield of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed in bushels per harvested acre on the farm for the two years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions, as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres.

(d) Notwithstanding any other provision of law participation by the producers of corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed in the payment-in-kind program set forth in this Act shall be required as a condition of eligibility for price support on such commodities.

(e) Such program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are necessary to effectuate the purposes of this Act and to facilitate the practical administration of the program.

SEC. 2. Section 407 of the Agricultural Act of 1949, as amended, is amended (1) by adding at the end of the third sentence the following: *"Provided further,* That the Corporation shall not sell any wheat, corn, rye, oats, barley, grain sorghum, soybeans, or flaxseed for less than 5 percentum above the parity price for any such commodity, plus reasonable carrying charges." and (2) by changing the semicolon to a colon and adding at the end of clause (D) in the fourth sentence the following: *"Provided,* That the Corporation shall forthwith replenish its stocks by the purchase of a quantity of the commodity equal to the amount of such commodity so sold."

SEC. 3. No provision of this Act shall be applicable to the 1965 or subsequent crops of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed.

SEC. 4. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: *"Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventhy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements, or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 5. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 6. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir

structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 7. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 8. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. SHORT].

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman and Members of the Committee, I do not want to leave any illusion with the Members of this House. I rise in opposition to this bill, and every section in it. I do not think there is any illusion on the part of the members of the House Agriculture Committee as to my feelings about this bill. I feel this way because I am a farmer myself. I have been a farmer and a rancher all my life. My son is living on the farm that I have lived on all my life. My grandson is living there, and I think they are intending to continue to live there. I am not sure, however, they are going to be able to enjoy living there and make a living as I have if we pass this bill.

Mr. Chairman, I also represent one of the most predominantly agricultural States in the Union, North Dakota. I do not know how much, percentagewise, it is, but the vast majority of the income of the State which I represent is received from agriculture. Certainly, it seems to me that beyond any question of a doubt, if this bill that we have before us now is passed into law, the agricultural income of the State of North Dakota is going to be reduced.

We have heard a lot of conversation about this bill here this afternoon, and about how it is needed for the protection of the farmer. I do not think anyone has ever mentioned, I do not think anyone has even intimated, certainly no one has ever said with any justification that the provisions of this bill are going to improve the income of the farmer.

It seems to me that the primary consideration for this bill here today is on the basis of "we have to do this to cut down the cost of the agricultural program."

Well, certainly, we are all in agreement with this provision. But let us just think back a little as to how this farm legislation all got started in the first place. What were we trying to do? We were trying to improve the lot of the farmer. After 25 years of experimenting with various kinds of programs, to improve the income of the farmer, and certainly as a farmer I would be inclined to be sympathetic and lay aside some of my basic reservations, perhaps, and be sympathetic with this legislation if I thought there was anything in it that actually improved the lot of the American farmer.

Mr. Chairman, North Dakota is also an important livestock State. The feed grains section of this bill to me is probably the most important insofar as my State is concerned. But North Dakota is also the second largest wheat producing State in the Nation. The wheat section would probably, if it is passed in its present form, have the greatest adverse effect on the wheat farmers in North Dakota of any State in the Union.

I would like to go into detail on this, if I had time. I do not, but let me mention in passing, however, this bill has no provision in it for recognition of the varying degrees of use of different classes of wheat which is grown in the United States, such as Durum, Hard Spring, Hard Red Winter, Soft Red Winter, and White wheat. They are all used in different degrees in domestic consumption and export.

Mr. Chairman, there is no recognition in this bill as to this varying degree in the use of wheat. We must recognize this, it seems to me, if we are ever going to have a realistic wheat program.

Mr. BREEDING. Mr. Chairman, will the gentlemen yield?

Mr. SHORT. I would be glad to yield to the gentleman from Kansas.

Mr. BREEDING. The gentleman's remark about the different classes of wheat—was not that contained in any other previous wheat legislation?

Mr. SHORT. It has never been in any wheat legislation with the exception of some special consideration for durum wheat. This is one of the inequities that has always existed in wheat legislation which we have had in the past. We propose here to perpetuate this thing, because this wheat provision that we have before us, would do nothing to correct these inequities. The gentleman from Kansas, was instrumental in introducing a two-price bill to which my wheat farmers would like to subscribe. May I say here and now that the wheat section in this bill is not a two-price system, because it maintains the present pattern of wheat allotments. The present pattern of wheat production in the United States will be frozen where it is today. Sure; there is a provision in here to the effect that one can grow wheat on feed grain lands, and that sort of thing, but everyone today in the United States who has a wheat allotment will continue to have it and to have a quota within that allotment for domestic consumption and export.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I would be glad to yield to the gentleman from Missouri.

Mr. JONES of Missouri. I have had some difficulty in following the statement of the gentleman. Does the gentleman want more Government payments or less Government payments?

Mr. SHORT. The gentleman is asking me a serious question?

Mr. JONES of Missouri. I am serious; really, I am. Does the gentleman want more Government payments going to those farmers, or does the gentleman want less?

Mr. SHORT. I want less.

Mr. JONES of Missouri. You want less Government payments?

Mr. SHORT. I will say that to the gentleman from Missouri.

Mr. JONES of Missouri. That is fine. One other question:

It is the understanding of the gentleman from Missouri that in the Senate bill there is a provision which would permit the Secretary of the Department of Agriculture to increase the acreage allotment for any class of wheat which would otherwise be in short supply? Would the gentleman be for that amendment, or opposed to it?

Mr. SHORT. I would be opposed to it.

Mr. JONES of Missouri. Let me make this clear. I am really serious about this.

Mr. SHORT. I appreciate the gentleman's interest.

Mr. JONES of Missouri. I want this bill to get one Republican vote and I do not know anybody's we would rather have than that of the gentleman from North Dakota. And if we can get this bill in such shape that it will satisfy him, I would like to do it.

Mr. SHORT. I assure the gentleman that it is not going to be my vote. As to this provision in the Senate bill—I think it is in there; I am not sure. If the gentleman says it is, that is proof enough for me. That provision, however, is not in the House bill. Why it is not I am sure I do not know. If the House members of the Committee on Agriculture wanted to be objective in dealing with this situation, then it should have been in the bill and I suggested, in the committee, that we put it in, but my suggestion was not adopted, as the gentleman well knows.

Mr. JONES of Missouri. Mr. Chairman, I thank the gentleman.

Mr. SHORT. Mr. Chairman, I would also like to leave this with the members of the committee. I think almost every member of the House Committee on Agriculture would agree that we could go back into committee and write a wheat bill that most of us could support. This is one of the inequities in this package that is before us now. There is everything in here but the kitchen sink, so to speak. There is something in here that everybody can be opposed to, but there is very little in here that all of us could accept in its entirety.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. QUIE. I want to point out that in the emergency feed grain legislation that was passed last year I offered an amendment to take into consideration classes of wheat and the House turned it down.

Mr. SHORT. That is true as I recall and I thank the gentleman for calling this to my attention. Mr. Chairman, my time is running along, and I would like to get on to the subject of the feed grain section of this bill. Let me remind you of this, as we are dealing with this piece of legislation. This is something different from anything we have had since I have been here. This is permanent legislation. This is not an emergency feed grain program such as we had 2 years ago and last year. This is not an emergency wheat program such as we passed last year. This is permanent legislation that applies permanent acreage allotments to feed grains. It is true that the bill we have before us has a few more feed grains in it than was included in the bill that was passed by the Senate, but we can be assured that there are going to be mandatory acreage allotments for some of the major feed grains if this bill passes.

Now may I get back to this matter of classes of wheat for a moment. I would like to quote just one brief statement from one of the outstanding people in our section of the United States in the field of wheat marketing. He is an individual who I think is very ably qualified to speak his mind on this subject of the need for recognition of different classes of wheat. I would like to quote from an article in the April issue of the Grain Terminal Association Digest written by Mr. William Thatcher—Bill Thatcher to most of us. Let me quote a part of this article. He says:

As good as it is, our wheat program does have serious inequities.

And with this I certainly agree.

The hard dark northern spring wheat that our farmers in these GTA States produce has never been in surplus.

I would disagree to a small extent. There has been some surplus, but it has been nominal.

But they have been forced to trim back acres along with the producers of surplus wheat. The inevitable result is that last year the spring wheat crop was actually 28 percent less than demand. We are in a serious position.

Millers and bakers want our quality northern spring wheat because it is high in protein and makes the kind of bread consumers demand. It brings a premium in the markets. Farmers, and the Government, do have an obligation to grow this quality wheat in abundance and at prices that are fair to farmers and consumers both.

I cannot overemphasize that, Mr. Chairman, and I wish I had more time to develop this important point, but let me get on with this feed grain section. It would certainly have an adverse effect, it seems to me, on the livestock industry. We have got to keep this in mind about feed grains compared with the other basic commodities.

The gentleman from North Carolina in his presentation pointed up how the control programs have worked for rice, cotton, tobacco, peanuts, wheat. These are all cash crops sold off the farm. As to feed grains, as has been said here today, 80 to 85 percent—I do not know the exact figure—is fed on the farm. There should be something in this bill, it seems to me, to allow the individual who feeds all of his grain on his farm, who does not want to sell any grain, who does not want any price support, who does not want any land-retirement payment, simply to stay out of the program.

This is not possible. It is not possible for me on my ranch. I do not want any price support. I do not want to sell any grain. I do not want any land retirement. But I have to reduce my feed grain acreage in spite of the fact that I have a need for all the feed I can produce on good years to carry us through the dry years we sometimes have in North Dakota. There is no exemption for corn raised for silage, in spite of the fact that this is supposed to be a feed grain bill. I have to reduce the corn I put up for silage. I have to reduce the acreage I plant to oats even though I harvest the oats for hay. I have to reduce the acreage of oats I raise to feed to my own calves on my own ranch.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. COOLEY. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota.

Suppose we put in the silage amendment and take oats out of the bill and do some other things, is there anything on earth we could do to this bill to get the gentleman to vote for it?

Mr. SHORT. Yes.

Mr. COOLEY. What?

Mr. SHORT. If you will take this bill back to the committee——

Mr. COOLEY. And do what to it?

Mr. SHORT. I believe you have suggested that we take this bill back to the committee. There we could work out a bill that certainly I would support.

Mr. COOLEY. I do not see how we could possibly do it there. We have been weeks and weeks there, and the gentleman and his colleagues on his side of the aisle have been obstructive.

Mr. SHORT. I am not going to be caught in any trap of accepting an amendment, because we know if we pass this bill and it goes over to the conferees on the Senate side, the conferees are going to substitute the Senate bill for this.

Mr. COOLEY. Trap or no trap, you are not going to be caught. You are not going to vote for this.

Mr. SHORT. I certainly am not; no, sir.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I rise in opposition to H.R. 11222, because this legislation is not in keeping with the desires and wishes not only of the farm population in my district, and the farmers of the State of Washington, but the farmers everywhere who are opposed to present Government control of the agricultural economy, which I feel is inherent not only in the language of this bill

but in the intent of the administration of the legislation.

Earlier in the afternoon the distinguished vice chairman of our committee, the gentleman from Texas [Mr. POAGE], indicated that no Members on the minority side of this committee or on the minority side of the House have offered any affirmative farm proposals or alternative farm programs to the bill which is before us. He indicated the minority has, to quote Secretary Freeman in the letter he wrote me today, been "opposing for opposition's sake." I would like the RECORD to show at this point that this is just not true.

Mr. Chairman, last fall a number of my colleagues in both the House and the Senate on the Republican side introduced legislation spelling out a bushel management plan for wheat. This proposal was the result of months and even years of work on the part of the National Association of Wheat Growers, the National Grange, and the Farmers Union. Because the State of Washington produces nonsurplus Soft White wheat, I believe it is important to point out that the members of the Washington Association of Wheat Growers contributed a great deal of their own time and effort in working out the bushel management plan which met a unique situation in the problem of the growers in our State and other States. It was this bill that I introduced last September along with others of my colleagues in the minority party so that it could be reviewed by the Department of Agriculture and the administration for consideration in formulating a farm program offered to Congress this year.

Mr. Chairman, I wish to point out that after this original legislation was worked over by the Department of Agriculture its similarity to the original bushel management wheat program proposed last fall is very slight. The changes from the original plan agreed to by these major farm organizations and commodity groups are considerable.

Now in this I disagree with my good friend and colleague the gentleman from Kansas [Mr. BREEDING]. For many months we worked side by side in support of this original legislation. In his talk before you today, he has said there is only a slight difference between that legislation and the bill before you. Mr. Chairman, earlier this year I prepared for the wheatgrowers of my district and for other States who wanted it, an analysis of the differences as well as the goals between the original bushel management bill and the bill as it appeared in this farm legislation proposed by the administration. The differences were on 15 different points. If you would like to have a copy of this analysis and the changes, I would be very glad it furnish it.

On the surface, Mr. Chairman, and because of statements made in its behalf, it was claimed that the plans were similar and that the Department of Agriculture officials who appeared before our committee indicated they would be willing to make certain changes which would bring the administration's wheat proposals more in line with our original plan. On the strength of these promises, most of the members of the Washington Association of Wheat Growers in my district were enthusiastic and at one point, after holding a number of meetings in various wheat growing counties, actually voted by and large to support the administration's wheat proposal. But then, and I think this next point is very significant to Members who have not been familiar with the work done in developing the wheat section of this bill. Then, as the bill began taking final shape in committee, it became increasingly apparent that the Department of Agriculture officials were not recommending the major changes necessary to bring the administration's plan substantially in line with the bushel management plan as agreed to by three major farm organizations that I have listed. This being the case, I wish to tell this body that the board of directors of the Washington Association of Wheat Growers held a meeting and voted that the association officially opposed the administration's wheat plan, as contained in H.R. 11222.

At this point I would like to commend the farmers of my congressional district and State who obviously recognized the need for some kind of control program on wheat on a nationwide scale. These farmers, although they do not contribute to the national surplus, hope that some day we can return to a free agricultural economy based on supply and demand. They know we cannot do that under the present surplus conditions. Therefore, they have recognized that they are, first of all, American citizens who must carry their share of the burdensome controls that are temporarily necessary to allow us to shift back to sound economic principles without Government interference. Even though the farmers in my State have lost acreage through Government control programs—and remember they do not contribute to the surplus—they have gone along in the past. At this time, however, they have thrown down the gauntlet. They cannot support the administration's program. They feel it deviates basically from the earlier proposal they supported. They feel last year's farm recommendations have not been lived up to by this administration, and they are fearful of the expressed viewpoints of those Department of Agriculture officials who are now in policy-making positions—they are fearful because these viewpoints so often expressed indicate clearly that the administration does not view their proposals as temporary control programs. My farmers are not ready to take what they feel would be a final step toward a completely controlled agricultural economy.

This is also my viewpoint, Mr. Chairman.

There are other areas of this omnibus bill to which I take strong exception. One of these is the mandatory feed grain program contained in this bill. Our State of Washington is a feed deficit area. Even the present temporary and voluntary feed grain program has not worked in my area, because of the manner in which it has been administered by the Department of Agriculture. A mandatory program for my section of the State of Washington as it would be administered by the Department of Agriculture is unthinkable.

Earlier today two of my colleagues from the State of Oregon came to me and asked about some telegrams they were receiving in support of this bill on behalf of poultry and broiler organizations of the area who claimed they should support this bill because it would bring down the price of feed in their area. I would like to put in the RECORD an answer to their questions to me on this point because I was just as astonished as they were at this statement. In the first place I pointed out to my colleagues from Oregon that we have had feed price studies made by the University of Oregon and the Washington State University. These studies, and by the way, I put them into the RECORD this year, dealt with the effect of the present temporary and voluntary feed grain program on Northwest feed prices—effect on prices to poultry and livestock raisers in our two States. These studies showed that feed prices have risen and have caused harm to these livestock and poultry producers. I suspect that one reason they are now claiming we should support this bill is because of one feature of the wheat section. The language in this bill would allow—under certain conditions—the raising of wheat for feed in our area which, in a feed deficit area, is highly to be desired. But I would say to my colleagues, this is not necessarily going to be the effect of this bill.

My distinguished colleague the gentleman from Kansas [Mr. BREEDING] and I worked very hard on the section of the bill that would allow the Secretary to make this interchange of acreage and we did get one little change. But the loophole language still remains on page 33 of the bill. This loophole takes away any guarantee of being allowed to grow wheat for feed on our acres in the Northwest. Unless this could be done—then I do not see how this bill could result in anything but a rise in prices of feed to those in the poultry and broiler business, the livestock industry, and all feeders.

Mr. Chairman, we spent many months attempting to revise and perfect, insofar as possible, the administration's general farm proposals. However, any improvements made in committee were comparatively minor and this bill is not one that the farmers of my area can live with. I particularly regret that on Friday, May 13, the committee by a one-vote majority reported this bill. I regret that this majority of one was only obtainable through the long arm of patronage as a result of "a walk through the rose garden."

Subsequently, Mr. Chairman, the original consideration of this bill by this body a week ago was suddenly withdrawn, obviously because members of this body recognized that the administration's farm program is an unsatisfactory one. The leadership obviously recognized there were not enough votes to pass the bill.

Apparently, Mr. Chairman, the leadership seems to think that the bill has suddenly and magically improved to the

point that it is a good program this week when it was not a good program last week. I submit that such is not the case. This bill has not magically changed overnight. It is just as unsatisfactory today as it was last Wednesday when it was to have been debated. I have not changed my mind about it and I continue to oppose this stringent control measure, and I am hopeful that it will be resoundingly defeated by this body. I am hopeful this body works its will so that a better farm program which the farmers of this Nation can support can be brought to the floor and enacted. Let us defeat this bill before us today and work for a program that will move the wheat and feed grain industry decisively out of the hands of the Government and back into the hands of the farmer. Let us lend maximum effort to preservation of a free society that a healthy, thriving agriculture is so dependent upon. Let us make this adjustment now. Let us invoke only those controls necessary to accomplish the objectivity of decontrol. To do otherwise would be to deny our farmers their final goal of freedom.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

(Mr. HAGAN of Georgia (at the request of Mr. COOLEY) was given permission to extend his remarks at this point in the RECORD.)

Mr. HAGAN of Georgia. Mr. Chairman, the House is considering the Agricultural Act of 1962. It is a mighty important piece of legislation. And I, along with all Members of the House, am giving it every consideration.

I am trying to consider the views of all on this bill. In doing so, I have read and found most interesting two speeches made recently—one by the distinguished chairman of my committee, the Honorable HAROLD COOLEY, and the other by my distinguished fellow Georgian, the Honorable John P. Duncan, Jr., Assistant Secretary of Agriculture.

I want my colleagues in the House to have the benefit of their views. Therefore, Mr. Chairman, I include the following excerpts from their speeches at this point in the RECORD:

Here's what two Southeastern farm leaders—Congressman HAROLD D. COOLEY and Assistant Secretary of Agriculture John P. Duncan, Jr.—are saying about the present farm crisis.

Congressman COOLEY:

"The farmers of America face a choice of controlling their production and enjoying firm price supports, or the complete abandonment of all farm price stabilization programs.

"In short, the decision for the producers of major crops is between self-imposed control, or bankruptcy. * * *

"The Nation is demanding that the Congress enact sound and sensible farm legislation, or end farm programs once and for all.

"In response to this temperament of the people, the House Committee on Agriculture, which it is my honor and privilege to serve as Chairman, has presented to the House, H.R. 11222. It is similar to legislation already passed by the Senate. It is intended to cut down farm surpluses, to save billions of dollars for taxpayers, to strengthen the entire economy by improving incomes of farmers, and to assure consumers plentiful food and fiber at fair prices. * * *

"In short, the bill—if finally enacted into law—gives the grain farmers of the Nation the choice between controlling their production with an assurance of a fair price or, on the other hand, complete freedom, with no controls and no price supports, to produce themselves into bankruptcy.

"It makes no sense to me for the Government to provide price supports for the unlimited production of anything. I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within bounds, so that they do not glut and ruin their markets.

"I am unwilling to provide a nickel of price support to farmers who will not cooperate, who will not assume the responsibility of adjusting their production, within reason. * * *

"In conclusion I stress and reemphasize and I admonish that the Congress absolutely must enact sound and sensible farm legislation. General farm legislation is now before the Congress. Every word and every punctuation mark seems to be a matter of bitter controversy. We desperately need a national understanding of the issues and of the dangers involved. We need the help of level-headed thinking people in industry and business.

"I commend you again for the service you have rendered agriculture. And, in parting, I must admonish and warn you again that the help you have given the farmer, bringing about great abundance, will be his ruin, or the cause of his ruin, unless you, and others like you in industry and business, throw in your lot with the farmer and the Congress in the development of public policies that will cut down farm surpluses, reduce the staggering costs to taxpayers—policies that will rescue the agricultural economy from impending disaster and assure farmers of an equitable partnership with industry, business, and labor in his free enterprise system, while we build a stable and enduring base under the total economy of the Nation and while we lead the battle for freedom throughout the world." (Excerpts from an address by Representative HAROLD D. COOLEY, chairman of the House Committee on Agriculture, before the Plant Food Institute, White Sulphur Springs, W. Va., June 11, 1962.)

Assistant Secretary of Agriculture John P. Duncan, Jr.:

"American agriculture faces a momentous decision within the next few days—in fact, all America faces this decision. In broad scope, it is briefly whether the American farmer is to have new opportunity to earn a decent and fair income; and whether the American public is to be relieved of additional billions of dollars of cost for a farm program which already has proved itself an expensive failure in dealing with the problems of abundance in wheat and feed grains.

"The legislation which now stands before the House of Representatives in the Congress provides a clear-cut choice between saving over a billion dollars or of spending an additional billion dollars a year in the cost of operating farm programs and of storing and handling grain which cannot be effectively and efficiently used. It provides a choice to farmers whether they will manage their farm or their farm will manage them. * * *

"Since many of you also are producers of livestock * * * I would like to point out that, contrary to the impression which the opponents attempt to leave, the feed grain proposal should prevent and remove the need for regulatory programs for livestock.

"Each of you is well aware of the fact that the more feed there is in the market the more cattle and hogs there will be in the market. And an oversupply of livestock will mean prices at which profits are hard to find. Thus if a program is developed to bring feed grain surpluses under control, livestock will be produced at a level in which the market will generate reasonable profits. * * *

"It is obvious that the American public will not long continue to spend tax dollars to remove increasing amounts of feed grains from the market. Yet if the administration's legislation is not enacted, we will be forced to return to the permanent legislation now on the books. This would cost the American public an additional billion dollars a year. We cannot go back to the old program and risk drowning the feed grain producer and the livestock producer in the sea of unlimited production.

"Thus, we have reached the crisis point—the critical decision has to be made. It is not an issue of freedom versus controls, but an issue of whether or not farmers will be provided with an opportunity to choose, freely and democratically, whether they want to limit their production and get fair prices—and save the taxpayers' dollars—or whether they want to produce without limit and take their chances. * * *

"This is a critical period for agriculture. We believe that if farmers do not get a sound program now to assure that farm income will be maintained and strengthened—and that the cost to the American taxpayer will be measureably reduced—their chances of obtaining such farsighted programs will dwindle." (Exerpts from an address by Assistant Secretary of Agriculture John P. Duncan, Jr., before the 44th annual convention of Southeastern Peanut Association, New Orleans, La., June 11, 1962.)

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I am here in support of the bill H.R. 11222, but several questions come to mind, and I have been trying to find answers to some things that are hard to understand. One is why some of my colleagues on the left who are for economy and who voted the same way I did the other day to not increase the public debt limit, yet I have not found one of them who is interested in trying to improve a farm program that will save approximately a billion dollars a year.

I have asked one or two Members on that side what we could do to try to get this bill in shape so they could vote for it, because I have some good friends over on the Republican side and I think they are going to be embarrassed this fall. To me one of the provisions in this bill will be very helpful to farmers living in their districts, even in the feed-grain section.

The committee has tried to put out a good bill, as has been brought out here. We did not get a whole lot of help from the minority because they went into this thing opposed to the administration bill. But we did not take the administration bill. It was changed in many respects. As we started we tried to satisfy everybody to bring about unanimity of opinion in the committee. We found that was impossible because the line had been adopted, "We are opposed to any farm bill." That is what we have been confronted with. The majority has had to write this bill most all of the way.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from North Dakota.

Mr. SHORT. I would like to get the record straight. There is no one in the House I have a higher regard for than the gentleman from Missouri.

Mr. JONES of Missouri. I want to return the compliment.

Mr. SHORT. I am sure the gentleman is not intentionally misstating the facts. When we started consideration of this bill, if my memory serves me right, and I will stand corrected if I am not right, we were told we were going to take the mandatory approach to all sections of the bill.

Mr. JONES of Missouri. That is right.

Mr. SHORT. I do not think it is quite the true statement, then, to say we were just opposing the bill, period.

Mr. JONES of Missouri. Do I understand the gentleman is opposed to the bill because it is a mandatory bill?

Mr. SHORT. That is right, particularly in the feed grain section.

Mr. JONES of Missouri. I am glad to get the air cleared, because here is where we are. I have reached the conclusion a long time ago that if I accept remuneration I should give something in return for it. I have felt over the years that the taxpayers are not justified and cannot afford to pay the farmer for unlimited production. You are not going to get limited production unless there is some compulsion in the bill. The wheat farmers have taken it, and they have received support. The tobacco farmers have taken it, the rice farmers have taken it, the peanut farmers have taken it. The cotton farmers have accepted it.

The position I am in right now is this: I do not want to see us abandoning all the farm programs when some time in the future—it may be quicker than we think—the taxpayers of the country as represented by their Representatives in this House are going to say, "Why should we continue to appropriate billions of dollars to pile up surpluses that cannot be used?" I think they are on a sound basis when they do that.

Mr. Chairman, unless a person is willing to make some kind of contribution to a production adjustment, I do not think he is entitled to anything. For the first time, in this bill, we have told the dairy people, If you want to reduce, we are going to be able to support you, we are going to appropriate money for that, but if you are not willing to reduce your production and bring your production in line with demand, we are going to reduce your payments. I think the committee went along with that idea generally.

If you are just opposed, and say you will not vote for a mandatory program, you are telling the people that you are opposed to any farm program, because if you say you are in favor of support appropriations for noncompliance, for unlimited production, they will continue to pile up surpluses.

Again I say those people who have been voting to limit the debt ceiling, who say they are for economy yet will not vote for a program that will save a billion dollars a year, are taking an inconsistent position.

Mr. Chairman, I am trying to be fair. There is no agreement. Tomorrow you on that side and you on this side are going to have an opportunity to vote on some amendments. The majority of the members of the committee realize that we have not brought out a perfect bill. Since we have reported this bill there are certain people who say, "If you do this you are going to wreck the bill." We are going to have an election here, so to speak.

Mr. Chairman, I am going to read some of the amendments that I know are going to be offered. I am not endorsing them. I would like to take the bill as it is, because I think some of these amendments at least will weaken the bill and will relax it more than I would like to see done.

These are not amendments which have been agreed upon by anybody. They are amendments that have been assembled from different Members, most of whom are not members of the Committee on Agriculture. But I feel they should have an opportunity to vote on these and I hope you will all participate in the discussion that will follow in an effort to try and improve the bill and get it in shape to where you will vote for it. But I do not believe that every member of the Republican Party is going to campaign this fall and say, "We were opposed to any compulsory program," because when you say you are opposed to it, you mean you are opposed to any farm program, because I do not think there is a man in the world that can stand up and justify a noncompulsory program with supports.

Now, let me read some of these amendments that are going to be presented tomorrow. As I said, I am not recommending all of these amendments. I may not vote for any of them, though I may vote for some of them.

The first amendment has to do with silage acreage, to exempt the acreage harvested as silage from the feed grain program, at the option of the producer. This would not permit unlimited production, but would exempt silage from any reduction.

Here is another amendment, and there is a lot of support of this: Change the small farm exemption from 25 to 40 acres. This would increase the number of farms eligible to plant their historic acreage of feed grains up to 40 acres.

Here is another amendment that several Members have indicated an interest in and said they feel they could go along with this bill if this was adopted, to exclude oats.

Here is another one, and I asked the gentleman from North Dakota [Mr. SHORT] about this a moment ago, and it is in the Senate bill, an amendment to permit the Secretary to increase the acreage allotment for any class of wheat which would otherwise be in short supply.

There will also be a technical amendment offered to insure adjustment of conserving acreage requirements where they are not consistent with allotment acreages.

There is another amendment which I understand will be offered to authorize acreage allotments for any crop to be used for feed grains when it cannot be used to produce the crop for which it was intended. In other words, if there was a crop that was planted and there was a drought or something, they could do that.

As I said before, I am not going to support all of these amendments, but this is the opportunity you will have tomorrow.

Another amendment would amend the bill to require the Secretary to give special consideration to farms which produced feed grains in 1961 and 1962 but not in the base period when new farm allotments are allocated.

Another amendment to permit production of crops for which price support is not provided on the diverted acres.

Another amendment that will be offered will provide that agreements for the establishment of tree cover may not provide payments for more than 5 years.

Another amendment provides that industrial parks or private or industrial enterprises may not be established under section 102.

Another amendment provides that land must have been owned for more than 2 years to be eligible for cost-sharing payments.

Now I do not want to say that these are all of the amendments that are going to be offered, but these are some that we heard about.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman asked a fair question and I think he is entitled to a fair answer. The gentleman says he wondered why it was that some of us on this side voted with him in extending the debt limit, and I am one of those that did vote with him——

Mr. JONES of Missouri. I did not vote for it.

Mr. BELCHER. The fact is I voted with the gentleman on many moves to economize. However, I do not think this will save any money. The very best estimate that Secretary Freeman gave on the wheat section was $29 million. Mr. Freeman has been so inaccurate in some of his statements that if he does not claim more than $29 million, I think it will not save a nickel.

Ever since I have been a Member of this House, I have heard you come before the House time after time with a bill that was going to save money, reduce surplus, and increase the farmer's income. Not any of them so far have ever delivered, and that is the reason I cannot go along with this bill.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. JENNINGS. Mr. Chairman, I yield the gentleman 1 additional minute, if the gentleman will yield.

Mr. JONES of Missouri. I yield to the gentleman from Virginia.

Mr. JENNINGS. I might say that in addition to the amendments which the gentleman from Missouri has just read which are under consideration to be offered tomorrow or at the conclusion of the bill, there is another amendment which, in all probability, will be offered and considered. That amendment is designed to permit grazing on these diverted acres, at the discretion of the producer, in lieu of payments. That will certainly take a lot of heat off as far as the livestock people are concerned. I think it will be a very, very good amendment. I intend to offer the amendment and I intend to support the amendment.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Chairman, it seems to me that there is a basic inconsistency in some of these discussions which I have heard from some of those who are opposing this bill. First, that they will not vote for improving amendments; second, that they would like the bill to go back to the committee and have a more voluntary type bill reported. The first notion seems to be that a rather strict bill has been passed by the Senate. However, you would face the same bill on the Senate side of this bill were entirely a voluntary bill.

Mr. JONES of Missouri. That is absolutely correct. Nothing would be gained by that.

[Mr. HOEVEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, in view of the strict limitation on time here, I should like to preface my remarks with a brief résumé and outline of the 1961 feed grain program.

Public Law 87–5, approved March 22, 1961 authorized, first, payment in cash or in kind for diverting 20 percent of acreage planted to corn and grain sorghums in 1959 and 1960; and, second, payments at higher rate in kind only for diverting an additional 20 percent of such acreage.

It provided that payments in kind should be made through issuance of negotiable certificates, which CCC could redeem and sell on behalf of producer.

It required participation as a condition for eligibility for price support.

OBJECTIVES OF PROGRAM

The objects of the program were first, to increase farm income; second, to reduce production of feed grains; third, to stabilize prices for meat, poultry, and dairy products; and, fourth, to reduce ultimate feed grain costs by about $500 million.

USDA REGULATIONS

Acres diverted had to be under intensive cultivation during 1958, 1959, 1960.

When producer signed up he received advance payment of half of estimated total. Final payment were made upon actual compliance.

All payments were made in negotiable certificates which were surrendered to CCC for cash. CCC then marketed the equivalent amount of grain to recover the cash payment.

PARTICIPATION IN PROGRAM

A total of 1,173,733 farms, 42 percent of those eligible, signed agreements. Latest figures show that 1,146,000 farms finally participated, 40.5 percent.

A total of 25.2 million acres were actually diverted from production, 19.1 million acres of corn and 6.1 million acres of grain sorghums.

Diverted acreage equaled 23 percent of total corn acreage and 31 percent of total grain sorghum acreage.

REDUCTION IN PRODUCTION

The USDA estimates a reduction of 800 million bushels below what production would have been without the program.

The 1961 Annual Crop Summary shows a reduction of corn and grain sorghum of 421 million bushels below 1960. This is a decrease of 9.3 percent in production, with a reduction of 20.1 percent in harvested acreage.

ESTIMATED SAVINGS

The Secretary announced in November 1961, that there would be a net savings to the Government of around $589 million. This was based on an estimated cost of $1,357 million for acquiring, storing, and handling some 770 million bushels of grain not produced under the program, less estimated payments to producers of $768 million. Storage and handling costs were computed on the basis that the 770 million bushels would be in CCC hands for approximately 10 years. The estimated cost was also based on the assumption that CCC would recover only 50 percent of the original acquisition cost.

The latest USDA figures show an estimated net savings of $583 million, based on an estimated 794 million bushels of grain not produced. The computation is based on acquisition costs of $353 million avoided, storage and handling costs saved for 7 to 9 years of $843 million—$617 million for corn—and interest charges of $211 million not needed, making a total of $1,407 million not required to be expended for the 794 million bushels not produced. This is offset by payments to producers of $782 million and administrative expenses of $42 million.

COST OF PROGRAM

Total payments to producers through March 31, 1962, were $782.1 million. The 1963 budget includes $333.2 million to reimburse CCC for advance payments made through June 30, 1961. An additional $448.9 million had been paid out through March 31, 1962, of the current fiscal year. This amount, together with any further costs, will be included as a reimbursement to CCC in the 1964 budget.

It should be noted that these expenditures do not include the realized loss on commodities sold by CCC in the open market to recover cash paid to producers. As of March 31, 1962, corn worth $610 million had been sold under certificates worth $425 million. Grain sorghums worth $135 million were sold to meet payments of $114 million. This represents a further program cost of $206 million.

CONCLUSION

The figure of $583 million, I think, is subject to question. The losses on commodity sales of $206 million as of March 31, which might increase to $250 million or even more, were not taken into account in the amount estimated to be saved.

As on the 1962 program, the loss of 50 percent on acquisition costs seem high.

In testimony before the Senate in February 1961, Secretary Freeman estimated that excess feed grains would be sold for 93 percent of acquisition. On this basis, the loss would be closer to $520 million than the $353 million used by the Secretary.

In view of this, as much as $400 million of the estimated saving might be overstated.

The CCC will have to be reimbursed for this program at a cost of around $824 million; $782 million for payments and $42 million for administrative expenses.

SOME FACTS THAT SHOULD BE USED IN CLARIFYING THE COST FIGURES UNDER THE FARM BILL

Mr. Chairman, I am sure every Member of the House received, as I did, a letter dated June 8, 1962, signed by Secretary of Agriculture Orville Freeman. Included in this material was a letter to the Honorable HAROLD D. COOLEY, chairman of the House Agriculture Committee, outlining the cost of the various farm proposals. I must say, Mr. Chairman, that these figures leave me completely dumbfounded.

As a member of the House Subcommittee on Agricultural Appropriations, I have the honor of serving on this subcommittee under the chairmanship of the Honorable JAMIE WHITTEN. We have to deal with these cost figures constantly in this subcommittee, and I think a few observations are in order with regard to some of the information contained in the letter from the Secretary of Agriculture dated June 8 and the several attachments thereto. For example, in the table No. 1, entitled "Feed Grains and Wheat: Major Elements of CCC Costs by Crop Years—Millions of Dollars," the feed grains part of this table shows "Payments for land diversion" 1961 emergency program costing $782 million. I point out to my colleagues that in 1961, 42 percent of the farmers having feed grain base acres participated in the program, but only 24.7 percent of the feed grain base acreage was affected. Keep in mind that this is less than one-fourth of the feed grain base acre participating. In this same table the Secretary of Agriculture shows that under the long-range program, that is, the passage of H.R. 11222, the cost for the feed grain program under the caption "Payments for land diversion" would be $500 million. This is absolutely the most absurd bit of figure juggling that I have seen in my lifetime.

The emergency feed grain program currently in operation and operating also in 1961 pays a farmer on the basis of 50

percent of the price-support rate for feed grains times his established yield for the farm. In other words, with the price support of corn at $1.20, with a farmer of average established yield of 60 bushels, this would mean that his payment per acre for not growing corn would be $36. Thus, on this basis, with less than one-quarter of the farmers participating, the program cost, according to the Secretary of Agriculture, is $782 million. I point out to my colleagues that in 1961 42 percent of the farmers having feed grain base acres participated in the program, but only 24.7 percent of the feed grain base acreage was affected. Keep in mind that this is less than one-fourth of the feed grain base acres participating.

In this same table the Secretary shows that under the long-range program—that is, if this bill is passed—the cost for the feed grain program, under the caption "Payments for Land Diversion" would be only $500 million. This is absolutely the most absurd bit of figure juggling that I have seen in my lifetime. The emergency feed grain program currently in operation and operating also in 1961 pays the farmer on the basis of 50 percent of the price-support rate for feed grain times his established yield for the farm.

In other words, with the price support for corn at $1.20 a bushel, with the farmer having an average established yield of 60 bushels—in my district it is closer to 80 bushels—per acre, this would mean that this payment per acre for not growing corn would be $36. In my district it is $50 and $54. On this basis, with less than one-fourth of the farmers participating, the program cost, according to the Secretary of Agriculture, is $782 million.

Now, by your own committee report you say that in 1962, with about a 3-percent increase over the 1961 program, it is going to cost $900 million. Now, my question, Mr. Chairman, is if we enact this bill and if the farmers approve the referendum, do you anticipate a greater participation in the program than in 1961 and 1962?

Mr. COOLEY. The participation in 1962 is better than it was in 1961.

Mr. MICHEL. By 3 percent; that is right. Is it going to be any greater next year, in your opinion?

Mr. COOLEY. I have not any idea.

Mr. MICHEL. You would hope that it would.

Mr. COOLEY. Certainly.

Mr. MICHEL. And in 1962 it is going to cost $900 million, by your own committee report. The Secretary of Agriculture tries to tell everybody that it is only going to cost $600 million and the previous speaker said that it was going to save $1 billion. You are completely off base when you say that the legislation is going to save money. It cannot, by the diverted acre payments alone. This does not take into account price supports.

Mr. COOLEY. There is no way on earth that you can accurately estimate the cost of a program in the future.

Mr. MICHEL. But when they come before our committee and ask for the "dough" to ante up for this, we get the figures and I am telling you precisely what they are. They show a decided increase from last year to this year, with only a 3-percent increase and you hope that you are going to get a bigger increase.

Mr. COOLEY. We are proposing to change the whole program and have an entirely new program, which is a mandatory controlled program. But we still cannot estimate accurately the degree of participation.

Mr. MICHEL. If it is a mandatory completely controlled program, then you are going to have more acres involved and more payments to individual farmers and the cost has to be up rather than reduced.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. SMITH of Iowa. The gentleman has referred to these figures and perhaps we ought to try to straighten them out. I know that these are the figures, that 75 percent of the base acreage that was in feed sorghums is subject to contract, and 55 percent of the base acreage of corn is subject to contract. The net reduction in acres is 24.7 million. That is a different thing. The 42-percent figure is the number of farmers. But 75 percent of the sorghum grains and 55 percent of the corn acreage that is in the program is affected by the overall reduction.

Mr. MICHEL. What I am saying is that you have only less than one-fourth of the farmers participating now, 27.6 percent of the base acreage actually committed in the program, and you are wanting more. The cost keeps increasing. The figure is going to keep on increasing and the program cannot do anything else than cost more and more.

Mr. SMITH of Iowa. But if you compare this with what would happen if we did nothing, then the old 1958 law would go into effect, under which you would have unlimited production.

Mr. MICHEL. I realize that there are some other factors in this, but I want to point specifically to what we have on hand in countering the Secretary's figures, because there is no basis for calculating the kind of figures which he shows. Even when he talks about the wheat down here this year, in the 1962 program, $345 million, by his figures he calculates that with the participation and enactment of this bill it is going to cost only $250 million this coming year. It is completely irreconcilable.

Also in his letters I might say that he even says you are going to reduce the cost $100 million. If you increase the cost of corn from $1.20 to $1.60, how can you?

Now, if this bill passes, all feed grain farmers will be eligible to participate—and, mind you, the rates of payment per acre provided for in this bill are the same as currently in operation under the emergency feed grain program—and yet the Secretary of Agriculture tries to tell the Congress that it would cost less. Obviously, it will cost much more. It is reasonable to assume that if only 42 percent of the farmers and 24.7 percent of the base acres are in the program now costing $782 million, that on the basis of the same rates and 100 percent participation it would cost much, much more. I am not prepared to say how much more, but I do challenge with all sincerity, the Secretary of Agriculture's estimate of it costing less.

The same general arithmetic—and I must say that it is a New Frontier type of arithmetic—is used to justify the wheat part of this bill. In the same table under the caption "Payment for Land Diversion," the Secretary of Agriculture shows that the 1961–62 program is costing $345 million. The acreage placed under contract in the wheat program in the current year amounted to 27.1 percent of the total base acreage and 45 percent of the farmers. This is slightly more than one-fourth. But at the same time the Secretary of Agriculture estimates that if we pass H.R. 11222, which provides for 100-percent participation, that the cost will be $250 million. How can anyone arrive at these conclusions?

Another strange set of calculations appear in this communication which I would like some explanation given. On page 2 of the letter address to Chairman COOLEY, there is a table inserted, entitled "Government Cost of Alternative Programs for 1963 Crops." In this the Secretary tries to show that extension of the 1961–62 emergency feed grain program would cost $1,200 million. How can such a projection be made? The participation in 1961 was about 25 percent of the feed grain base acreage, and it cost $782 million. It is only about 3 percent more participation in 1962. How can you conclude that the program will cost $1,200 million in 1963? But more puzzling is the figure where Mr. Freeman attempts to show that the long-range program—H.R. 11222—for feed grain will cost only $644 million in 1963. This is real daydreaming.

On wheat, again Mr. Freeman attemps to show that extension of the emergency programs would cost $1,217 million and the wheat part of the bill H.R. 11222, would cost $1,188 million. I cannot tell my colleagues what goes to make up these figures, but I must conclude—having worked for many long hours on the budget of the Department of Agriculture, that these figures are designed to try to persuade Members of this Congress to be for an unsound program, and I warn my colleagues that if we accept these figures unchallenged we will be grossly disappointed if this bill is enacted, because I can assure you that the calculations used can be grossly misleading.

Mr. Chairman, I have previously made my position clear with regard to this legislation. I am opposed to it. I think it is bad for farmers, for consumers, and all taxpayers. I think it is the first step toward complete regimentation of agriculture. I hope that my colleagues will not be misled by seriously considering some of the phony propaganda that is being put out with regard to this bill, but will vote according to your best judgment in interest of farmers, consumers, and taxpayers.

Mr. Chairman, despite my opposition to H.R. 11222, I extend sincere congratulations to the Committee on Agriculture and its distinguished chairman, the gentleman from North Carolina [Mr. COOLEY], for that section of the report (H. Rept. 1691) on the pending legislation as it relates to the Rural Electrification Administration. It goes without saying that I do not endorse and will not support the majority position on the so-called omnibus farm bill, but I am completely and wholeheartedly in support of the committee report, particularly as it touches on the question of REA secrecy.

It is my understanding that several attempts have been made by National Rural Electric Cooperative Association, to minimize the importance and significance of the committee report language by claiming that the language directed toward REA represents only the thinking of the distinguished chairman. However, I was particularly gratified to learn that on June 7, the Committee on Agriculture voted unanimously to approve the report as it was written, even though certain members disagreed with some aspects of the language.

Mr. Chairman, let me quote briefly from a portion of the report because, as I see it, the language cogently points up a problem which I have been discussing on the floor of the House for some time. In pertinent part, the report reads, as follows:

> Testimony revealed a growing public concern over the failure of the REA to disclose information on various phases of its operation. The public is entitled to know how public funds are being used, and the REA should approach the consideration of loans for generating facilities in a manner designed to provide as full public information as possible. The ultimate consumer is entitled to the most advantageous source of power, determined by bringing together all pertinent facts in an objective manner. Public hearings appear to be a reasonable means of accomplishing that end. Certainly, interested parties should be notified and their views obtained before such loans are approved. Secrecy tends to kindle doubt, whereas public knowledge of the reasons for and justification of loans would go far toward dispelling criticism which threatens to bring the program into disrepute.

I think it is particularly significant that the Senate Agriculture and Forestry Commitee in its report on the general farm bill (S. Rept. 1365, S. 2786) also recognizes the need to do something about REA secrecy with respect to the consideration of generation loans and as a means of making certain that funds are not so loaned for unnecessary projects. The Senate report stated:

> The REA for its part has a responsibility to see that Government funds are not loaned unnecessarily. In making a loan for generating facilities, it should investigate very carefully the need therefor. Public hearings may not be the way to do this, but interested parties should be notified and their views obtained in a reasonable period of time. The Rural Electrification Administration should approach the consideration of such loans in a manner designed to provide as full public information as possible. Open and aboveboard consideration of loans, bringing together all pertinent facts in an objective manner, would preclude the possibility of charges that such loans were unjustified. Secrecy, on the other hand, might well tend to induce doubt that responsible action was taken. Public knowledge of the reasons for and the justification of loans might well go far in mitigating unjust criticism.

Note that the Senate report also suggests public hearings. It says that public hearings may not be the way to investigate loans for generating facilities, implying on the other hand that public hearings might be the way to do it. The House report, of course, states that public hearings appear to be a reasonable way to handle G. & T. loan applications. Thus, there is a recognition by both of the legislative committees of Congress having jurisdiction over REA that public hearings may be the way to handle REA G. & T. loans.

Mr. Chairman, for many years the Congress has been vitally concerned with the availability of information from Federal departments and agencies. A special subcommittee of the House Committee on Government Operations, under the chairmanship of the gentleman from California [Mr. Moss], has been investigating the problem and has been recommending effective steps that can be taken to eliminate Government secrecy wherever possible consistent with national security interests.

In 1960 this special subcommittee submitted a report to the House in which this most succinct statement appears:

> Secrecy—the first refuge of incompetence—must be at a bare minimum in a democratic society, for a fully informed public is the basis of self-government. Those elected or appointed to positions of executive authority must recognize that government, in a democracy, cannot be wiser than the people. (H. Rept. 2084, 86th Cong., 2d sess., p. 36.)

I know of almost no other agency of the Government that has been so calloused and blatant in its complete disregard for the public's right—as well as the right of Congress—to know the open and honest details of how it operates a Government program under which almost $5 billion have been loaned. It occurs to me that perhaps those responsible for operation of the REA are fearful lest the true facts of their methods of operation be disclosed.

Last fall I discussed this matter with the able chairman of the Special Subcommittee on Availability of Information from Federal Departments and Agencies, the gentleman from California [Mr. Moss]. I am pleased to report that he held a series of meetings with officials of the REA for the purpose of clarifying that agency's policies on secrecy. Apparently as result of increasing criticism from Members and from the committees of the Congress, and from the press and the public, the REA recently issued a so-called administrative bulletin on the release of information and the availability of records relating to loan applications. REA spokesmen and supporters hailed this bulletin as a major departure from its previous policy of secrecy. Actually, it is a joke.

Mr. Chairman, I have studied this REA bulletin very carefully, and I would like to assure my colleagues here in the House that rather than tearing down the iron curtain of secrecy the bulletin, with relatively minor exceptions, merely puts into writing the existing REA secrecy practices, those very same practices, mind you, which have been under increasing criticism from many directions in recent months and years. I had this to say at the time:

> Apparently the REA, in putting out a bulletin like this, must believe that Members of Congress follow the old axiom of P. T. Barnum that "there's a sucker born every minute."

After enumerating the various kinds of statistical and other information which REA already makes available on a monthly, quarterly, or annual basis, the bulletin goes on to state that the agency now will make available, with the applicant's permission, the name and address of each loan applicant, the date and amount of the application, and the general purpose for which the loan funds are being requested. Basically, this procedure represents nothing new at all because the REA previously would reveal such information, and occasionally did, with the applicant's permission in each such case.

The only difference between the past and the present that I have been able to discover in the bulletin is that the REA now may make such information available without the permission of an applicant if the Administrator determines that release of such information is in the public interest. What the REA appears to be saying now is that while mere existence of a loan application in some cases will not be considered secret, the details and contents or the processing of any such application will remain secret.

It is interesting to note that there is absolutely nothing in the Rural Electrification Act of 1936, the Administrative Procedure Act of 1946, or any other relevant Federal law for that matter which requires the Rural Electrification Administration to maintain a veil of secrecy around loan application information. In point of fact, applicable law provides just the opposite, and REA's present policy in respect to secrecy is not consistent with either the law or the general attitude of the Congress concerning public access to Government agency information.

As the Members may recall, section 161 of the Revised Statutes of the United States (5 U.S.C. 22) authorizes the head of each department and agency to issue such regulations as may be required to cover such things as the "custody, use, and preservation of the records" of his department or agency. The attitude of the Congress toward secrecy on the part of departments and agencies is reflected with remarkable clarity in a 1958 amendment to this section in which one most significant sentence was added at the end of the section. As amended on August 12, 1958 (Public Law 85–619; 72 Stat. 547), section 161 of the Revised Statutes now reads, as follows:

> The head of each department is authorized to prescribe regulations, not inconsistent with law, for the Government of his department, the conduct of its officers and clerks, the distribution and performance of

its business, and the custody, use, and preservation of the records, papers, and property appertaining to it. This section does not authorize withholding information from the public or limiting the availability of records to the public.

Mr. Chairman, it appears to me, as it must to all the Members, that there is absolutely no ambiguity in this last sentence which was added to section 161 of the Revised Statutes in 1958. The meaning of this language is crystal clear.

However, the REA has used this section as one of its justifications for its policy of secrecy on the apparent assumption that the interests of its borrowers are identical with those of the public at large. The REA seems to feel that the Administrator can at all times and in all circumstances unfailingly and effectively represent the public interest. But I would suggest that the general public must be the final judge as to whether these assumptions on the part of the REA are right or wrong.

With these thoughts in mind, I wish to associate myself strongly with the attitude toward the REA which was expressed in the report by the Committee on Agriculture on the farm bill (H. Rept. 1691) to the effect that public hearings appear to be a reasonable means of achieving the goal of informing the public, as well as REA borrowers, as to how public funds are being used by the REA.

I would like also to call to the attention of my colleagues what I consider to be a very outstanding article which was published in the May 28, 1962, issue of Barron's weekly financial newspaper. The article, entitled "Militant Public Power," discusses the current activities of the Rural Electrification Administration. It includes the following observations:

> The wonder is that Congress never has seen fit to make REA obtain specific authorization for each of its generation and transmission projects. Many such developments are more costly than those of the Bureau of Reclamation and Corps of Engineers, yet every project of those two agencies must be specifically approved by Congress, after open hearings.
>
> Mr. Chairman, these two agencies—the Bureau of Reclamation and the Corps of Engineers—must present for approval of the Bureau of the Budget each year a detailed summary of their respective proposed construction programs. Following this, detailed justifications are presented to the Committees on Appropriations of the Congress for consideration.
>
> The REA presents no such annual detailed program, either to the Budget Bureau or to the appropriations committees. If REA refuses to hold open hearings on generation and transmission loan applications, it goes without saying that the best alternative is for the appropriations committees in the House and Senate to require the REA to present detailed justifications of specific pending generation and transmission loan applications before the respective committees authorize loan funds to be used for such purposes.
>
> In my opinion, it would indeed be unfortunate if the appropriations committees were required, by REA's reluctance to act, to assume the burden of making individual case decisions each year, especially when the Administrator has both the staff and the experienced organization to handle these matters openly and expeditiously. However, if the REA persists in operating in secrecy with respect to both the Congress and the public in relation to the loan program and if the agency fails to heed the requests for open hearings on these applications, it is entirely possible that it will be necessary for the appropriations committees of the Congress to put the REA on the same footing as the Bureau of Reclamation and the Corps of Engineers as far as annual authorizations and appropriations are concerned. Such a step would require the REA to justify its loan program completely and entirely each year and would permit the appropriations committees and the Congress to authorize and appropriate funds only for specific rural electrification projects which have been fully justified. The days of carte blanche for the REA would be over.
>
> I suggest that the Administrator consider carefully the effect of this highly feasible alternative on the operations of his agency before he closes his mind completely and irrevocably to the idea of holding open hearings on generation and transmission loans. In my judgment, the future course of the REA loan program rests in his hands and his alone. Charged as we are with heavy responsibilities in times of domestic and foreign crises, we in this Congress can act, will act, and must act on this matter if the Administrator does not take to heart the advice given to him in this Chamber.

And finally, Mr. Chairman, I made mention earlier that the chief spokesman for the rural electric cooperatives, in testimony at a recent hearing, agreed that Rural Electrification Administration funds could be loaned, through a cooperative, to finance purchase and installation of electrical equipment for a night club. This is indeed very interesting. But I regret that the Agriculture Committee missed a golden opportunity to carry this particular possibility to its logical extreme.

All of us have read in recent days of an investigation by a committee in the other House with respect to so-called exotic dancers and B-girls. As we have seen from the accounts of these hearings, these girls operate in night clubs, and the arts and talents they display are shocking to even the more broadminded Members.

It seems to me that if, as the self-styled spokesman for the rural electric systems has agreed, REA funds could be used to finance at least part of the cost of a night club in the country, if such a place were a cooperative member-customer, it is not at all unlikely that part of this cost financed by the REA would cover the spotlights and other lighting devices used to illuminate the talents of exotic dancers. If the REA funds could be used to finance such appliances at lower interest rates than regularly available, the REA inadvertently could become a party to development of a center of sin and debauchery.

Mr. Chairman, is this what was intended for the REA? Or is the spokesman for the cooperatives willing to go along with a possibility of this sort, purely for load-building purposes, without any regard at all for the morals of the rural communities his sort of organizations serve?

I don't profess to be a sanctimonious puritan, but I would suggest that this is a far cry from the proper use of public funds. I can only ask whether it would look right for an official of the REA to be testifying before the B-girl investigating committee to defend an REA loan made to purchase equipment for a night club.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, after reading the committee report, which accompanied H.R. 11222 and listening to several hours of debate on the measure, it is my conviction that the enactment of the bill would not be in the best interests of the farmers of Pennsylvania. Over the years I have been sincerely interested in farmers and their problems. While Pennsylvania has been noted as being one of the major industrial States in this great country, it has made a great and equally important contribution in the field of agriculture.

Our farms have produced milk, livestock, poultry, fruits, vegetables, and many other farm commodities. Our consumers have been provided with abundant food at reasonable costs. I have always been one who has deeply appreciated the contribution farmers have made to our society.

Since the very beginning of this country the backbone of this great Nation has been found in our farm people. Many of the founders of this great Government were farmers. Because they tilled the soil they had a certain deep appreciation and sense of values which they expressed in the great Government that they established. They had a sincere belief in the individual and what the individual meant and what his contribution was to his Government. I have been very much concerned that over the years this has been one of the things that has been under serious attack; namely, the rights of individuals and their freedom to do as they choose.

If one were to make a study of the history of Pennsylvania agriculture, he would find that our farmers have been self-reliant and in fact can probably best be described as rugged individualists. Over the years they have strongly opposed any intervention on the part of the Federal Government into the management of their farms. They have strongly felt that they could operate their own farms and make their own decisions better than any bureaucrat in the great city of Washington. This has been their honest conviction and I admire them for it. It is a conviction that I wholeheartedly share.

Most of the farmers of Pennsylvania have felt that the Government could make its contribution to agriculture by providing them with the best research and technology that was possible. They have felt the need for a balanced, expanding agricultural research program. They have one of the outstanding land-grant universities in this country in Pennsylvania State University. They have strongly supported the use of the Extension Service as a means of carrying the latest information and technol-

ogy to the farm families of our State. If individual farmers are armed with the best research and technology possible they should then be free to make their own individual decisions as to what crops they want to produce and how they should operate their farms.

I have shared this point of view and have consistently supported the role of the Federal Government in the field of agricultural research and education. This is a proper function of the Federal Government and in this role they can and have provided valuable assistance to Pennsylvania farmers.

However, agriculture in Pennsylvania, as in other areas of the country, is today caught in what has been referred to as the cost-price squeeze. Farmers have been plagued with continually rising farm costs. The cost of tractors, the cost of gasoline, the cost of machinery, the cost of farm labor and the cost of other supplies have continued to increase. One of the real costs that has continued to go up is that of taxes, both at the local and Federal level.

One of the things that has been most serious as far as farmers are concerned is the question of inflation and its control. Farmers, just as any other citizens, recognize that the continued spending by the Federal Government in excess of its income only results in more inflation. Inflation means that their individual dollars have less value. The problem of inflation and the need for balancing our budget are ones that not only agricultural people but all the citizens of the State have a real interest in.

In this connection the record of the Kennedy administration and their various spending proposals leave little comfort that we will balance the budget any time soon.

I have a deep and abiding interest in the agriculture of the State of Pennsylvania. I have consistently supported the philosophy that farmers should have the best technology and research assistance possible. I have felt that the Federal Government should provide, on occasions, emergency assistance to farmers to meet some of their problems when disaster arises. In some cases price supports at a level that will provide them with disaster insurance but not encourage additional production may be a proper role of the Federal Government. However, this is a far cry from the situation as we know it today.

We have pending before us at this time H.R. 11222, the so-called Food and Agriculture Act of 1962. This is the Kennedy administration's proposal for complete Federal management and Federal control of American agriculture. I am opposed to this approach. The specific question is whether we will continue to have a free agriculture or whether we shall have an agriculture managed and controlled by planners in the U.S. Department of Agriculture. This is the issue, not only in the field of agriculture, but in other fields.

In the case of agriculture, the most current problem is found in this bill, H.R. 11222. As already mentioned, I have studied this legislation very seriously and have received numerous letters from farmers in my district and in other parts of the State indicating that it would completely destroy the many small family farms in the State.

Why do I make such a statement? First of all, the bill would set up strict and compulsory limitations on the acreage and marketing of feed grains for the first time in our history. Every grower of feed grains, without exception, would be controlled. While some growers might temporarily avoid a cut in acreage, no grower, regardless of how small he might be, would be permitted to increase his acreage of feed grains above what he produced in 1959–60.

Feed grains which are corn, barley, oats, and grain sorghum, are the main source of feed to dairy cows, hogs, chickens, turkeys, and beef animals. Many of the farms in Pennsylvania produce all of their own feed grains for their livestock, dairy, and poultry. The administration's bill, H.R. 11222, would attempt to control and manage these farms and by limiting the amount of feed grains that any one farmer could produce on this farm. This is the height of Government planning. This is a direct step toward a socialized agriculture.

While the feed grain part of the bill would be disastrous to farmers themselves, it would be equally disastrous to their city cousins. If the production of feed grains were controlled and therefore the price of feed grains increased, this would have a direct effect on the cost of such things as milk, pork chops, eggs, broilers, and steaks. The price consumers pay for these products is directly related to the cost of producing them. The cost of feed grains is an important factor in producing these commodities. A control program would raise these costs and therefore mean higher costs to consumers. These higher food costs would take place at the same time restrictions on production were cutting the income of many farm families.

The bill (H.R. 11222) contains a new control scheme for wheat known as the certificate plan. It is a complicated administrative monstrosity of the first order. The cost to the Government of this program would be $1 billion per year on wheat exports alone. It would raise food costs to the domestic bread consuming public.

While the feed grain and wheat part of the bill are control schemes of the first order, they are pikers compared to the first-class boondoggle in the dairy section.

In recent weeks more newspaper headlines and national magazine space has been devoted to the case of Billie Sol Estes than any one issue. Some of the people in the administration have gone around saying that this farm bill should be passed in order to eliminate further possibilities for Billie Sol Estes to operate. This to me is complete nonsense and completely erroneous.

While Billie Sol Estes was involved in many things, such as grain storage, fertilizer, and cotton acreage allotments, the one apparent illegal thing he did was to become involved in the transfer of cotton acreage allotments. Under the cotton program, as is true in other control programs, individual farmers receive acreage allotments or in effect the number of acres they may produce. These acreage allotments are valuable because they carry with them the right to produce certain crops. Farmland with an acreage allotment on it is worth considerably more than without one. In the case of cotton the market price of an acre of land with an acreage allotment is $200 to $300 per acre or more than without.

Billie Sol Estes recognized this and proceeded to establish a system of acquiring these cotton acreage allotments. Once he had the allotments he could produce cotton—without them he could not. This is the heart of the Billie Sol Estes case.

Now the administration comes along and suggests through the provisions of H.R. 11222 the solution to the corn and feed grain program would be the establishment of a new and elaborate scheme of acreage allotments and marketing quotas. Under the so-called farm bill the number of farm acreage allotments would be approximately doubled. At the present time approximately 3.3 million farm acreage allotments are issued each year. If this bill, H.R. 11222, is passed extending allotments and marketing quotas to corn and feed grains this would add approximately 2.8 million farmers who would have bases and therefore be eligible to have allotments.

The establishment of this new scheme, which involves providing more Government permits to farm, would only invite future activities similar to Billie Sol Estes. As far as I am concerned the administration's farm bill, H.R. 11222, rather than eliminate the Estes type operation, would only encourage more people to get into the illegal transfer of these permits. It would provide the incentive for illegal traffic in these allotments.

These are briefly a few details of the proposals in H.R. 11222. The entire bill involves the concept of so-called supply-management for all of agriculture. Supply-management in effect means that the Federal Government does the planning and managing of our Nation's farms. The history of our agriculture indicates that under our system of freedom of opportunity we have not only successfully fed ourselves but fed the world.

While the Russians are at the moment faced with serious agricultural problems because of the failure of their system of complete government management and control to operate, why should we foolishly attempt to pattern our agriculture after their failure?

There has been considerable concern over costs of the farm program. I have been very much concerned about them. Despite all the comments and statements to the contrary, I see no evidence that costs would be reduced under the administration's bill, H.R. 11222. In fact it looks to me as though they might even be increased, if we have the complete control program applied to the producers of corn and feed grains.

The issue fundamentally in the field of agriculture is the issue faced in many

other fields. What is going to be the role and responsibility of the Government? Is the Federal Government going to take over the control and management of our farms and politically determine and regulate farm prices with more and more Federal bureaucracy? Or will we move in the direction of reducing the role of Government in agriculture and letting the market system itself determine the value of commodities and returns to farmers. This is the issue as far as I am concerned. The success of our agriculture has been due to the fact that our farmers as individuals have been free to make the decisions and judgments necessary in order to be successful farmers. The incentive to make either a profit or loss is still one of our fundamental beliefs. I am still confident that the individual farmer can make the decisions necessary for the efficient operation of his farm better than any bureaucrat sitting behind a desk in the Department of Agriculture in Washington.

This is the issue—whether agriculture will be free or whether it will move in the direction of complete domination and eventually to socialism. I am opposed to this approach as provided for by H.R. 11222 and will do everything possible to see that we continue to have a free, prosperous, and independent agriculture in this country.

Mr. Chairman, let me conclude by reading the following letters in opposition to the administration's farm bill, H.R. 11222, which were received from the Pennsylvania Farmers Association, the American Farm Bureau Federation, and the Pennsylvania Millers' and Feed Dealers Association:

PENNSYLVANIA FARMERS' ASSOCIATION,
Camp Hill, Pa., June 8, 1962.

Re H.R. 11222, S. 3225.
Hon. JAMES E. VAN ZANDT,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN: The farmers of the Commonwealth of Pennsylvania are greatly disturbed about the farm legislation now pending before the House.

Several Pennsylvania farmers, Democrats and Republicans, devoted a good farming workday, June 6, to contacting their neighbors on H.R. 11222 and S. 3225 because of the serious effect these bills would have on their farm operations.

The results of the June 6 contacts were as follows: (1) 300 nonfarmers' association members contacted, 260 farmers paid $15 to join the PFA to help fight pending farm control legislation; (2) 1,600 PFA members contacted, 1,550 PFA members said they would ask their Congressmen to oppose bills and would explain how bills affect their farm operations.

Typical comments: "I raised an average of 30 acres of feed grains in 1959–60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price supports would make my grain costs higher; price supports are of no value to me because I feed all of my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production; I raised 12 acres of feed grain in 1959–60—I could not raise any more because my base is 12 acres under this legislation; the 25 acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals."

The vast majority of the farmers in Pennsylvania are opposed to the farm legislation now pending before the House. Consumers should also be opposed; food costs will rise; farm program costs for storage could decrease but these costs would be more than offset by payments to farmers—the net result will be increased farm program costs to all taxpayers.

The above information is for your use and serious consideration. As president of the largest organization in Pennsylvania, having an active membership comprised of people who earn over 50 percent of their income from farming, I urge your opposition to the farm bills now before the House.

Sincerely yours,

G. A. BIGGS,
President.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., June 8, 1962.

The Honorable JAMES E. VAN ZANDT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN VAN ZANDT: You will shortly be considering H.R. 11222 (the Food and Agriculture Act of 1962) on the House floor. It is our considered judgment that enactment of this bill would be bad for farmers, consumers, and taxpayers. We vigorously oppose this bill and urgently request that you vote against it. There are many reasons for our opposition, the most important of which are:

1. Subtitle A of title IV would set up strict and compulsory limitations on feed grain acreage and marketings for the first time. For all practical purposes every grower of feed grains—without exception—would be controlled. While some might temporarily avoid an acreage cut, no grower—regardless of how small his operation may be—would be permitted to increase his acreage of feed grains above his 1959–60 average. Feed grain production is closely tied to the great livestock industry which accounts for the bulk of our food supply and more than 55 percent of gross farm sales.

2. The wheat section of title IV would establish a complicated, multiple-price system which would prove to be an administrative monstrosity. This program would cost the Government more than $1 billion per year on wheat exports alone. It would also raise food costs to the bread-consuming public.

3. The daily section of title IV would be a first-class boondoggle. From the farmers point of view, however, the worst feature of this section is that it would constitute an opening wedge for a compulsory supply management program on milk.

4. The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture—in a downhill direction.

H.R. 11222 is not just "another farm bill." It is not temporary legislation. It is a punitive measure designed to regiment and control the production and distribution of food. The number of Government-allocated permits to grow farm products would be approximately doubled. The acreage under quota program would be tripled. Farm program costs would remain excessively high despite claims to the contrary.

Defeat of H.R. 11222 will be a step toward lower farm program costs. For example, costs will be reduced by an automatic reduction in corn supports, and expiration of the costly "emergency" program now in effect.

We respectfully hope you will support our sincere opposition to this legislation by voting against the bill. We make this request in behalf of more than 1,600,000 farm families in 2,700 counties in 49 States and Puerto Rico.

Very truly yours,

CHARLES B. SHUMAN,
President.

PENNSYLVANIA MILLERS' AND FEED DEALERS' ASSOCIATION,
Ephrata, Pa., June 8, 1962.

The Honorable JAMES E. VAN ZANDT,
House Office Building,
Washington, D.C.

MY DEAR MR. VAN ZANDT: Our organization represents feed and flour mills in Pennsylvania—our 1962 directory lists over 1,200 of these businesses. Our membership works closely with farmers and therefore, is concerned with their continued existence and prosperity.

Quite naturally, since most of our farmer customers do not want controls, we have a natural inclination to follow their reasonings, and hope for an eventual free market. At the same time, we are realists, and know that a complete "all or nothing" farm program would create chaos if the "nothing" philosophy were adopted suddenly.

The administration has adopted a policy of strict controls in its farm legislation.

We ask that you do all in your power to exempt the Northeast farmer from these controls. The Northeast has not contributed to the surplus either in wheat or feed grains. Why then, should it be forced to make reductions? Our farms are basically small acreages, and cannot survive economically on reduced acreages. And yet, with their location near primary markets, they do fill a need. If this farmer does not survive, there can be only one result—higher food costs for the Northeast consumer.

Sincerely,

ROBERT B. GRAYBILL,
President.

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I think when amendments are offered to a bill by members of the committee the chances of success are usually greater than when they are offered by others. I have drafted five amendments to this proposed legislation which I intend to offer tomorrow, unless they are offered by members of the committee. At this point in the RECORD I shall spell them out clearly and concisely. I believe they have merit, I believe the Committee should accept them, I believe they are sound, and should be approved. I will put in the RECORD at this point precisely what the amendments would provide and precisely how the language in the pending bill would be changed.

AMENDMENT TO PERMIT PLANTING OF FEED GRAIN WHEN OTHER CROPS DESTROYED

My first amendment would provide that any farmer or producer who could not plant his allotted commodity, such as cotton, tobacco, rice, peanuts, and wheat, because of adverse weather conditions, or lost his allotted crop because of adverse weather conditions, could plant feed grains on the acreage devoted to such allotted crop. This amendment

would, in effect, give the producer a catch crop, something to fall back on in the event of an unforeseen disaster. This would not cause a big increase in national production but would be a life saver for individual farmers in distress.

The amendment would read, as follows:

On page 40, between lines 18 and 19, insert the following:

"SEC. 360(l). Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) any acreage so devoted to feed grains shall not be considered as feed grain acreage for purposes of determining the farm marketing excess, (2) the land-use provisions of section 360(j) shall be inapplicable to a farm on which any acreage is so devoted to feed grains, and (3) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360(j), 379(c) of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

BETTER ALTERNATIVE IN EVENT CONTROLS REJECTED IN REFERENDUM

Another amendment which I propose to offer would provide that if quotas are voted down by the feed grain farmers a 50 percent of parity support loan shall be provided in order to give the producers a less drastic alternative to mandatory controls in the event farmers vote down the control program.

Specifically the amendment would provide the following:

On page 46, strike out lines 1 and 2 and all before the semicolon on line 3 and add the following:

"(4) (A) if marketing quotas for feed grain are disapproved by producers, price support for such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b).

"(B) price support for feed grain shall be made available only to cooperators";

SPECIAL ASSISTANCE TO PRODUCERS ON NEW LAND

The next amendment which I propose to offer would direct the Secretary to give special consideration to those people who became new growers on new land during 1961 and 1962. In my district alone, in excess of 150,000 acres of new land has been put into cultivation and devoted to feed grains, a nonallotted crop during 1961 and 1962. By all means, these people should be given preference over new growers who would undertake to enter the program in 1963 should this bill become law and mandatory controls begin.

The amendment would be worded as follows:

On page 24, line 11, change the period to a colon and add the following:

"Provided, That in establishing farm acreage allotments under this subdivision (C), the Secretary shall give special consideration to farms on which there were acreages of feed grains during 1961 and 1962."

ADJUSTMENT FOR CHOICE B COTTON FARMERS

Mr. Chairman, another proposed amendment provides that the feed grain allotment of cotton farmers, who chose the choice B route during the 1959–60 crop years, would not be reduced as a result of such action. My amendment would provide that the farmer, who chose the choice B route during these years and took his chance on the price of cotton or accepted the lower support price, and who would have otherwise devoted such additional cotton acreage to the production of feed grains, would not be penalized by a reduction in base acreage for feed grains as a result of his election. He had no way of knowing that these years would later be used as a basis to establish a feed grain base for a mandatory feed grain program.

The law specified that the farmer would get no credit on his cotton history as a result of the choice B program. Therefore, he should not be penalized on his feed grain history.

Specifically, the amendment is as follows:

On page 25, line 7, change the semicolon to a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period by the production of an increased acreage of cotton by producers who elected choice (B) under section 102 of the Agricultural Act of 1949, as amended;".

With respect to choice B cotton farmers, I have prepared some tables which I should like to submit at this point. They show for the years 1959–60 the number of farms and number of acres involved in the choice B program in the cotton-producing States:

1959

State	Total number of 1959 allotment farms	Total number of choice (B) farms	Allotment acreage added by choice (B) elections	Total allotment acreage available for all farms
Alabama	119,760	3,052	14,266	1,002,791
Arizona	4,540	1,085	31,805	362,488
Arkansas	62,187	4,970	97,783	1,435,306
California	15,926	6,127	180,024	913,550
Florida	8,706	149	274	37,948
Georgia	87,016	1,394	4,751	856,444
Illinois	492	77	165	3,298
Kansas	5	4	9	33
Kentucky	1,224	310	1,639	9,179
Louisiana	45,485	2,912	22,675	601,676
Maryland	1			14
Mississippi	111,997	3,228	77,423	1,649,062
Missouri	15,530	3,648	63,568	421,181
Nevada	21	3	73	3,416
New Mexico	5,525	1,065	19,691	191,016
North Carolina	83,009	5,070	12,045	485,992
Oklahoma	45,872	2,945	24,753	777,237
South Carolina	76,996	5,167	20,630	715,916
Tennessee	62,084	5,552	26,103	581,356
Texas	202,168	21,594	419,239	7,262,797
Virginia	6,412	786	914	18,815
United States	954,956	69,138	1,017,830	17,329,515

1960

State	Number of farms		Allotment acreage	
	Total allotment	Total choice (B)	Added by choice (B) elections	Total available for all farms
Alabama	94,747	993	7,182	997,473
Arizona	4,381	2,258	85,223	405,640
Arkansas	53,497	4,926	105,987	1,451,200
California	14,747	8,382	244,312	972,463
Florida	6,511	28	95	37,720
Georgia	70,870	266	2,128	853,720
Illinois	448	58	255	3,397
Kansas	4	1	3	27
Kentucky	1,144	256	1,617	9,147
Louisiana	32,697	852	10,218	586,291
Maryland	1			15
Mississippi	77,655	1,863	67,794	1,644,003
Missouri	15,175	4,869	78,416	435,905
Nevada	23	6	196	3,539
New Mexico	5,408	1,905	33,130	202,133
North Carolina	70,983	2,128	5,569	480,061
Oklahoma	42,795	2,851	27,916	802,721
South Carolina	67,495	2,292	10,536	710,691
Tennessee	57,045	3,862	22,298	572,763
Texas	174,959	23,567	519,674	7,337,019
Virginia	5,771	751	853	19,004
United States	796,356	62,114	1,223,402	17,524,932

PRODUCTION OF NONSURPLUS CROPS ON DIVERTED ACREAGE

Mr. Chairman, I would also urge the adoption of an amendment which would permit the Secretary to specify other annual field crops in addition to those specifically named in the bill as eligible for production on diverted acreage, provided such crops are not in surplus supply and would not be in surplus supply if permitted to be grown on the diverted acreage. This amendment would read as follows:

On page 38, line 8, insert immediately after "malting barley" the following: "other annual field crops for which price support is not made available."

On page 38, line 18, change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

Mr. Chairman, I earnestly hope that these amendments will be approved. They are sound and most important.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair,

Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, had come to no resolution thereon.

CORRECTION OF ROLLCALL

Mr. VAN ZANDT. Mr. Speaker, on rollcall 116 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADJOURNMENT UNTIL 11 O'CLOCK TOMORROW MORNING

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ELIMINATION OF UNCONSTITUTIONAL PRACTICES

(Mr. RYAN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Speaker, many citizens across the Nation have been engaged in fighting for the elimination of unconstitutional practices. We have seen courageous men and women participate in freedom rides, sit-ins, and other peaceful and legal activities. Unfortunately, some law enforcement officials, with the consent of the local governments, have arrested individuals for daring to uphold the Constitution. Charges of "trespass," "breach of the peace," and recently "criminal anarchy" have been brought against Americans fighting for equal rights. Although recently the Supreme Court has reversed convictions in cases of this nature, the stigma of arrest still remains. In addition, because of the expense involved, not every case can be carried to the Supreme Court.

We all know that a record of arrest or conviction can have grave consequences. It may be difficult for a person with such a record to obtain employment. If a person is employed at the time of arrest, he may lose his job. Certain licenses may be difficult or impossible to obtain and other privileges may not be available.

It is shocking that in 1962 racial discrimination still exists to the extent that dedicated citizens find it necessary to fight actively for the removal of racial barriers. These citizens deserve our highest commendation for their commitment to the Constitution. It would be a national disgrace for individuals lawfully engaged in upholding the Constitution to be penalized. To protect these individuals today I have introduced a bill which provides:

No person shall be denied any license, right, benefit, or privilege under any law of the United States, or incur any other disability or disqualification under any such law, or be denied the right of employment by the Government of the United States or the government of the District of Columbia or, if so employed, be subject to dismissal, solely because of his participation in any peaceful demonstration or other peaceful activity, the object of which is to achieve equal rights for all persons regardless of race, creed, color or national origin, or to resist discriminatory treatment in any public facility or place of public accommodation.

Mr. Speaker, I urge my colleagues to join with me in support of this measure, and I hope that it will receive favorable consideration by the Congress as soon as possible.

STRIKE AGAINST TRANS WORLD AIRLINES

(Mr. HULL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HULL. Mr. Speaker, a strike against Trans World Airlines by the flight engineers must certainly be viewed as a most serious threat against the economy of this country. Additionally, it poses a most serious question regarding labor negotiations in vital industries.

Trans World Airlines is the only American-flag carrier in Greece, Egypt, and in Madrid, Spain. A strike against TWA will eliminate the American-flag carrier from these areas.

The administration is vitally concerned with obtaining a favorable balance of international exchange. Every effort must be made to stop the outward flow of gold from this country. Inasmuch as this is the peak season of international travel, a strike against TWA by the flight engineers would force a large number of passengers to utilize foreign airlines which would further stimulate an unfavorable balance of trade and a further loss of our gold reserve.

International military travel reaches one of its peaks during the summer months when many soldiers and their dependents are being returned to their homes. A strike against TWA by the flight engineers would interfere to a substantial degree in the orderly movement of this traffic.

International airmail would have to be partially diverted to foreign airlines and the Government would be forced to pay a rate for the carriage of this mail of almost four times the amount paid to TWA.

On the domestic scene, a strike against TWA by the flight engineers would work a hardship on our business community which is attempting at this time to continue to expand its economic growth. Disruption of business travel will tend to upset the present momentum in our economy.

Almost one-third of TWA's 20,000 employees live and work in Kansas City, Mo. A strike against TWA by the flight engineers would have particularly catastrophic results in this city where TWA is one of the largest private employers. The economic hardship of a work stoppage would also be felt in the 54 communities within this country that TWA serves.

In addition, we cannot forget the loss of tax revenues that a strike against TWA by the flight engineers would have on the Federal Government as well as on many of the State governments and on the local communities.

The issues upon which the flight engineers are striking have been considered by two commissions and by one mediation board. The recommendations of these three groups have been adopted by TWA and rejected by the flight engineers. It is inconceivable that the findings of these boards and of the mediation board should be flaunted in the face of the American public. I urge the leadership of the flight engineers to call off their strike against TWA and to submit their grievances to arbitration as suggested by the Secretary of Labor and suggested again by the President.

PENNSYLVANIA FARMERS' ASSOCIATION ON THE KENNEDY FARM BILL

(Mr. FENTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FENTON. Mr. Speaker, members of the Pennsylvania Farmers' Association in denouncing the Kennedy administration's farm proposals have stated, "I just can't believe that this is America."

The Kennedy farm plan will be excessive in cost to the taxpayers, will raise feed costs, and deprive American agriculture of freedoms which have existed since the first plows turned the sod of New England in Pilgrim days.

The Pennsylvania Farmers' Association members are greatly disturbed by the Kennedy bill, and rightly so.

The plan will necessitate a horde of new bureaucrats to police the many regulations it incorporates. The more quotas, the more people involved in making the life-or-death economic decisions on farming, the higher the stakes become and the greater the temptation for influence peddling.

This program is a budget buster. The feed grain section would raise costs of corn, barley, oats, and grain sorghum. Higher grain costs would also be reflected in production of dairy items, hogs, chickens, turkey, and beef, and consequently, in higher costs at the market. In addition, taxpayers would pay hundreds of millions—$775 million in 1961—in subsidies for feed grains.

The Kennedy program also is a bread tax. The wheat plan would provide one

price for wheat used for livestock feed, another for wheat used for flour. Processors would pay higher taxes to finance the extra flour wheat subsidy. Who gets the tax which is passed on? The consumer. So, up goes the price of bread.

This plan is also a dairy purge. Dairy supports would be rigid, discriminate against the family-sized farms, big factory-type establishments would result, and milk would be under the control of a few producers—and the Federal Government.

Mr. Speaker, all the Pennsylvania farmers ask is "that they as Americans be permitted the American privilege of producing enough feed for our own animals."

I have been advised by the Pennsylvania Farmers' Association, which is comprised of people who earn 50 percent or more of their income from farming, that "many of the farmers raised 12 acres of feed grain in 1959–60, and they could not raise any more because their base is 12 acres under this legislation. The 25-acre exemption would not apply to them because their base acreage is 12 acres—not 25 acres."

Do you realize, my colleagues, these farmers would be prohibited from raising enough grain on their own farms to feed their own livestock?

Members of the Pennsylvania Farmers' Association have also pointed out to me, "consumers should also be opposed to this legislation, for food costs would rise. Farm program costs for storage could decrease but these costs would be more than offset by payments to farms. The net result would be increased farm program costs to all taxpayers."

JET AIRPORTS AND THE NOISE PROBLEM

(Mr. HARRIS asked and was given permission to extend his remarks in the RECORD at this point.)

Mr. HARRIS. Mr. Speaker, I wish to give a brief report to the Congress on aircraft noise and at the same time sound a warning.

The increasing annoyance caused by noisy airplanes around our Nation's airports is largely a product of the increasing use of jet engines in our commercial and military planes.

For several years now, Members of the House and many others have been acutely aware of the irritations generated by the roaring and whining of these powerful new engines.

We are told that this annoyance and irritation is the price we must pay for technological progress in the jet age. To an extent, and we do not yet know to what extent, I think that statement is true. There is no question but that engines make noise. It is also true that as engines become more powerful, they make more noise. And more powerful engines are being designed, manufactured, and operated every day.

Some people may have the impression that no one is doing anything about this problem of aircraft noise. Nothing could be further from the truth. The aircraft industry has invested over $50 million in recent years to develop noise suppressors for jet engines to reduce the level of noise coming from the engine itself.

The Federal Aviation Agency has worked out with airport operators, carriers, and pilots various noise abatement procedures, such as the use of preferential runways, the purpose of which is to have airplanes land and take off either over water or over sparsely populated areas in the airport neighborhood.

The Air Transport Association, Aerospace Industries Association, and the Air Line Pilots Association have created an organization knows as the National Aircraft Noise Abatement Council, NANAC, as this organization is nicknamed, serves as a clearinghouse for information and participates in education programs at airports all over the country. It has assisted in the creation of several local noise abatement groups and is in constant communication with the Federal Aviation Agency officials who are working on this problem.

The Federal Aviation Agency and the National Aeronautics and Space Agency have both entered into contracts with firms of acoustical experts for the purpose of determining how noise levels may be measured and how a scientific understanding of noise levels can meaningfully be applied to the larger problem of the ill effects of noise on people.

In addition, professional societies, such as the American Acoustical Association and the Society of Automotive Engineers, have been working, as individuals and through committees, in the highly technical field of acoustics and acoustical measurement in the hope of arriving at standards which can be used in tackling the many complex and difficult questions raised by aircraft noise.

On August 23, 1961, the House agreed to House Resolution 420, introduced by our distinguished colleague from New York [Mr. DELANEY]. You will recall that House Resolution 420 directed the Committee on Interstate and Foreign Commerce, of which I have the honor to be chairman, "acting as a whole or by subcommittee, to conduct a full investigation and study of the problems involved in, and measures to minimize or eliminate, aircraft noise nuisances and hazards to persons and property on the ground." The resolution then directed the committee to pursue seven specific areas of inquiry which pretty well cover the field.

Following the passage of House Resolution 420, I directed the staff of the Special Subcommittee on Regulatory Agencies to undertake the organization and coordination of the work to be done pursuant to the resolution.

A situation that has come to the attention of that subcommittee is one very close at hand and one of enormous concern to all of us. It involves the Dulles International Airport just a few miles from here in Chantilly, Va. That airport is being constructed and will be operated by the Federal Government through the Federal Aviation Agency. As you know, it has not yet opened; its opening is scheduled for October 1, 1962.

The Dulles Airport is located on the boundary of two Virginia counties. The surrounding area has until now been devoted almost entirely to farming and dairying. The airport, which will serve Washington and provide our Nation's Capital with jet transportation to and from destinations all over the world, will unquestionably in some measure change the face and ways of living of that peaceful countryside.

It will undoubtedly attract industry, and that means that it will attract a great many people. Many of these people have never lived near a jet airport. Many of these people cannot possibly imagine the annoyance that proximity to a jet airport can bring.

I am advised there are proposals pending before the planning commissions and zoning authorities of the counties of Fairfax and Loudoun to rezone wide areas surrounding the airport for industrial and smaller-unit residential uses.

It seems to me the county officials before which these rezoning applications are pending have a tremendous responsibility and face a staggering challenge. Clearly, the revenues for their respective counties from increased population and the introduction of industry can be expected to increase dramatically. We may anticipate that the airport will be of great economic benefit to the surrounding countryside.

But as what I have said earlier may suggest, this economic growth may not be an unmixed blessing, for with all changes of the magnitude of those we can expect to come in the wake of the opening of the new airport, new problems emerge. Everyone concerned should use his best efforts to anticipate as many of these new problems as possible. One problem which we can confidently predict will arise if too close encroachment on the airport is permitted is that of noise annoyance from the jet aircraft.

The Dulles International Airport was located as far from Washington as it was, among other reasons, because of the fear of encountering the kinds of noise problems that have so plagued the neighbors of New York International and many other thickly settled airport areas across the country.

Under our constitutional system, land use planning is entrusted to local officials. The authority of the Federal Government over Dulles International Airport stops at the airport border. I think you can see now what I mean when I speak of the immensity of the challenge and responsibility facing the planning officials of these two Virginia counties. They will confront many local pressures. There should be a warning sign, and caution should be exercised at this time in the consideration of applications to rezone the real estate in the neighborhood of Dulles. They should give most careful attention to avoiding the problem of aircraft noise and its effect on prospective airport neighbors.

As I suggested earlier, it is difficult to imagine the extent of the irritation from noise until the planes have actually begun to fly in and out of the airport. Nothing should be done at this time that will occasion regret and misery on the part of the Dulles airport's future neighbors.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued June 21, 1962
For actions of June 20, 1962
87th-2d, No. 101

CONTENTS

Budgeting.....20
CCC..... 3
Commission.....31
Communications..... 6
Communist agriculture... 4
Conservation.....18,31
Crop insurance..... 2
Defense production.....10
Eggs.....30
Electrification.....23
Farm improvement loans..11
Farm program.....11,19
Food and drugs.....22
Foreign aid.....5,15
Foreign currencies..... 8
Foreign Service.....33
Foreign trade.....12,17,28
Guam..... 2
Hay.....27
Information.....15
Interest rates..... 9
International Monetary Fund.....36
Land-use.....11
Legislative program.....10
Livestock..... 2
Loans.....35
Marketing orders..11,24,30
Migratory birds.....31
Mining.....34
Parks.....11
Patents.....13
Potatoes.....11
Poultry..... 2
Purchasing.....14
Reclamation..... 7
Recreation.....11
Reports.....15
Rice..... 2
Roads.....26
School lunch.....25
Softwood imports.....28
Soil bank.....27
Stockpile.....10
Sugar.....1,16
Surplus food.....11
Surplus property.....32
Textiles.....17,21
Tobacco..... 2
Trade policies.....16
Tree cover.....11
Turkeys.....24
Water pollution.....29
Water resources.....11
Watersheds.....11
Wildlife..... 11,18

HIGHLIGHTS: (see page 6)

SENATE

1. SUGAR. Sen. Long, La., urged support for the administration's sugar bill, stated that it was superior to the sugar bill passed by the House, and inserted Under Secretary Murphy's testimony before the S. Finance Committee in support of the administration's bill. pp. 10285-7

2. AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: S. J. Res. 201 (with amendment), to extend the time by which a lease transferring a tobacco acreage allotment may be filed; S. 2859, to increase the number of new counties in which crop insurance may be offered each year; S. 3120, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry; S. 2121, to authorize the establishment and maintenance of Federal agricultural services to Guam; and S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice for distribution in certain Federal programs. p. 10493

3. NOMINATIONS. Received the nomination of John A. Baker to be a member of the CCC Board of Directors. p. 10358

4. COMMUNIST AGRICULTURE. Sen. Hruska reviewed failures of agricultural programs in Communist China, stated that "Experience in Communist China, as well as in Russia, proves conclusively that governments cannot farm," and inserted an article, "The Famine-Makers - a Report on Why China is Starving." pp. 10328-33

5. FOREIGN AID. Sens. Humphrey and Proxmire debated the merits of providing foreign aid to Communist countries, with Sen. Proxmire favoring legislation to restrict such aid, and Sen. Humphrey urging that the President be given wide discretion in the administration of the foreign aid program. pp. 10300-24

Sen. Goldwater criticized the "so-called Rostow paper on American strategy" in foreign affairs and inserted two articles on the matter. pp. 10276-80

6. COMMUNICATIONS. Continued debate on H. R. 11040, to provide for the establishment of a commercial communications satellite system. pp. 10338-42, 10347-49, 10351-56

7. RECLAMATION. The subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee approved for full committee consideration S. 114, to authorize construction of the Waurika reclamation project, Okla.; S. 405, to authorize construction of the Mann Creek reclamation project, Idaho (with amendment); and S. 3162, approving an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District. pp. D494

8. FOREIGN CURRENCIES. Both Houses received from Treasury a report on foreign currencies in the custody of the U. S., as of Dec. 31, 1961. pp. 10269, 10437

9. INTEREST RATES. Sen. Long, La., criticized the continued rise in interest rates and urged inquiry into the present situation regarding rates. p. 10336

10. LEGISLATIVE PROGRAM. Sen. Smathers announced that it was the intention of the leadership to lay aside the pending business on June 21 and consider bills for the disposition of certain materials from the national stockpile and to extend the Defense Production Act. pp. 10349-51

HOUSE

11. FARM PROGRAM. Continued debate on H. R. 11222, the proposed Food and Agriculture Act of 1962. pp. 10366-422

Agreed to the following amendments:

By Rep. McSween to limit the Secretary's authority to enter into land-use adjustment agreements to lands regularly used in the production of crops, including lands covered by conservation reserve contracts under the Soil Bank Act. pp. 10402-3

By Rep. Gathings to provide that agreements for the establishment of tree cover may not exceed five years. pp. 10404-5

By Rep. Bass, Tenn., 197 to 9, to prohibit the Secretary from building industrial parks or establishing private industrial or commercial enterprises, and deleting from the bill the provision directing the Secretary to develop a program of land conservation and land utilization for lands which are submarginal or not primarily suitable for cultivation. pp. 10405-6

By Rep. McSween to delete the provisions amending the Watershed Protection and Flood Prevention Act which would have increased the flood prevention capacity limitation from 5,000 acre-feet to 12,500 acre-feet, authorized the Secretary to assist local organizations in developing water supply for future use in watershed projects, clarified the Government's authority to provide engineering services for municipal and industrial water supply on a reimbursable

basis, and restated the application of the act to the 11 watershed improvement programs authorized by the Flood Control Act of 1944. p. 10406

By Rep. Smith, Miss., to provide that the Secretary shall undertake joint planning with other Federal agencies in preparing watershed plans which will significantly affect water resources development activities in areas downstream from the watershed. p. 10407

By Rep. Reuss to prohibit the Secretary from entering into agreements on farms in N. Dak., S. Dak., or Minn., to provide financial or technical assistance for wetland drainage if Interior has made a finding that wildlife preservation will be materially harmed. pp. 10407-8

By Rep. Cooley to provide that no land-use adjustment agreement shall be made covering land on which the ownership has changed in the two-year period preceding the first year of the contract period unless the new ownership was acquired as a result of the death of the previous owner, the land becomes a part of an existing farm or ranch, or the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purpose of the program. pp. 10409-10

By Rep. May declaring it to be the sense of Congress that the President should take immediate steps to make surplus agricultural commodities available to those Chinese refugees who have fled to Hong Kong. p. 10410

By Rep. McIntire, 127 to 84, to delete title III from the bill which would have exempted potatoes for dehydrating from the authority for the issuance of marketing orders. pp. 10411-2

Rejected the following amendments:

By Rep. Findley, 106 to 142, to prohibit the Secretary from providing assistance to any farm or ranch for the development of recreation resources unless they will be available on a nonsegregated basis and the owners and operators agree to maintain and operate such facilities on a nonsegregated basis. pp. 10403-4

By Rep. Findley to provide that the public recreation facilities developed under the land-use adjustment program shall be nonsegregated. pp. 10406-7

By Rep. Derwinski to provide that foreign currencies may be used for farm improvement loans to individuals in Communist countries where surplus agricultural commodities are sold. pp. 10410-1

Rejected a motion by Rep. Gross to strike out the enacting clause. p. 10401

7. FOREIGN TRADE. As reported (See Digest 95), H. R. 11970, the proposed Trade Expansion Act of 1962, includes provisions as follows:

Extends the authority of the President to enter into foreign trade agreements from July 1, 1962, through June 30, 1967.

Provides the President with basic authority to reduce duties by 50 percent of the July 1, 1962, level and to increase duties to 50 percent over the July 1, 1934, level.

Authorizes the President to reduce by more than 50 percent duties on articles within categories when he has determined that the U. S. and the countries composing the European Economic Community together account for 80 percent or more of the free world trade in such categories of articles in a representative period.

Authorizes the President, in an agreement with the EEC, to reduce by more than 50 percent duties on articles referred to in Agricultural Handbook No. 143, as issued in Sept. 1959, whenever the President determines that such an agreement will tend to assure the maintenance or expansion of U. S. exports of like articles.

Authorizes the President to reduce by more than 50 percent duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the U.S., provided EEC had made certain commitments on duties and restrictions on the importation

of such commodities.

Provides that the President may reduce duties by more than 50 percent where the rate was 5 percent ad valorem or less on July 1, 1962.

Requires the President, in certain circumstances, to reserve from negotiations any article with respect to which the Tariff Commission found that imports of such article were seriously injuring or threatening such injury to the domestic industry concerned. Retains present provisions of law governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security. Requires, in general, that tariff reductions would be made in no less than five annual stages, except in the case of the tropical commodity authority.

Requires the President to furnish the Tariff Commission with a list of articles which he contemplates negotiating upon, and the Commission to advise him as to the economic effect of any proposed trade agreement action. Requires hearings by the Tariff Commission or any committee established by the President for interested persons to present their views on proposed trade agreement actions.

Requires the President to appoint a Special Representative for Trade Negotiations who would be chief U. S. representative on trade negotiations. Requires the President to establish a Cabinet-level interagency trade organization to advise him on trade agreement matters.

Provides that any firm, group of workers, or industry seeking tariff adjustment may petition the Tariff Commission and that the Commission shall make an investigation and report the results to the President. After receiving a report containing affirmative findings the President is authorized to raise the tariff or impose quotas, or both. In cases where the President does not take the action found by the Tariff Commission to be necessary, the Congress may require such action be taken by adoption by each House of a resolution approving the action found by the Commission to be necessary.

13. PATENTS. The Judiciary Committee reported without amendment H. R. 10966, to fix the fees payable to the Patent Office (H. Rept. 1850). p. 10438

14. PURCHASING. Received from GAO a report on the audit of the general supply fund, GSA, for fiscal year 1961. p. 10438

15. REPORTS. The "Daily Digest" states that the Government Operations Committee "Met in executive session and adopted...reports entitled...'Commingling of United States and Communist Foreign Aid'; and 'Availability of Information From Federal Departments and Agencies (Telephone Monitoring, Second Review).'" p. D495

16. SUGAR. Rep. Curtis, Mo., criticized the administration's trade policies and inserted a statement of Rep. Findley criticizing the sugar bill. p. 10429

17. TEXTILES. Rep. Jonas criticized the Tariff Commission for delay in a decision on textiles and said, "Further delay by the Commission in announcing its decision simply compounds the injury and damage being done to the domestic textile industry." pp. 10429-30

ITEMS IN APPENDIX

18. CONSERVATION; WILDLIFE. Extension of remarks of Sen. Metcalf urging enactment of his proposed bill which would preclude destruction of fish, wildlife, and recreation values by construction of Federal-aid highways. pp. A4628-9

19. FARM PROGRAM. Extension of remarks of Reps. Bray, Harvey, Dorn, and Pirnie inserting articles opposing the proposed farm bill. pp. A4634, A 4636, A4660, A4666

Simmons, Donald E., O5312612.
Zingale, Joseph A., O5202617.

To be captains, Medical Corps

Gaskill, Harold V., Jr., O973970.
Hammond, Charles, O5501283.
Jiamachello, Nicholas, O5208322.
Keuls, Hans A., O5200647.
Littell, Delvin E., O2295469.
Mahoney, William D., O2295417.
Major, John E., O4012792.
Moore, Marcus M., O2295623.
Pruitt, Basil A., Jr., O5003936.
Robinson, Henry A., Jr., O4071080.
Schwartz, Marvin N., O2297978.

To be captain, Medical Service Corps

MacEntee, John L., Jr., O1891294.

To be first lieutenant, Army Nurse Corps

Heitsman, Lois J., N5200300.

To be first lieutenant, Dental Corps

Clancy, James M., O5004803.

To be first lieutenants, Judge Advocate General's Corps

Mowry, Richard E., O2304749.
Tips, Robert H., O2303657.

To be first lieutenants, Medical Corps

Arthur, James D., O2300764.
Becker, Arthur A., O2305104.
Bolick, Larry E., O5703680.
Cohen, Richard J., O5004579.
Gates, Francis K., Jr., O5209939.
Harrell, Jerry D., Jr., O5203257.
Hurwitz, Richard A., O4065176.
Miller, Donald F., O5004198.
Monzingo, George F., O2303735.
O'Rourke, George W., O2300846.
Rainville, Thomas J., O2305040.
Shown, Thomas E., O2305169.

To be first lieutenant, Medical Service Corps

Grodt, Robert G., O5703448.

To be first lieutenants, Veterinary Corps

DelFavero, John E., O2300662.
Pakes, Steven P., O4069732.

To be second lieutenants, Army Nurse Corps

Kisella, Mary A., N5411424.
Phelps, Carol L., N5407360.

To be second lieutenants, Medical Service Corps

Anderson, Ralph L., O5213297.
Barnes, Perry A., O2300376.
Kistler, Thomas E., Jr., O5201733.
Milne, Richard B., O4083522.
Waters, George A., Jr., O5309538.

The following named distinguished military students for appointment in the Regular Army of the United States, in the grade and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288 and 3290:

To be second lieutenants, Medical Service Corps

Ake, Robert M.
Bigelow, Robert T.
Helin, Donald D.
Hostetter, Donald L.
Moreland, William F.
Piercey, Charles K.
Thompson, Dale L., Jr.
Van Brockhoven, Rollin A.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, Sections 3283, 3284, 3285, 3286, 3287, and 3288:

Adorian, Stephen J., Jr.
Anderson, Francis E.
Bailey, Joseph N., Jr.
Barnett, Joseph T.
Bartlett, LeRoy, III
Becker, Robert A.
Beckner, Donald W.
Belcher, Billie
Black, James W.
Branch, Boyd R.
Brick, Charles S.
Brown, Kenneth N.
Brown, Martin A., III
Burns, Thomas B., Jr.
Callahan, James E.
Caram, Meredith H.
Coleman, John L.
Dalziel, Dean A.
DeGroot, Michael H.
DeRossett, William J.
Dick, William H.
Dillard, James H.
Doleschal, Walter
Feeley, Thomas M.
Feldman, Henry J.
Finnell, Woolsey, III
Fischer, William F.
Glosson, Clyde W.
Gurnee, Ronald W.
Halsey, Franklin M.
Hand, David E.
Harris, Donald W.
Hasbrouck, Joseph F.
Helvey, Robert L.
Henry, Joseph R.
Hill, Ralph L.
Hohmann, Errol G.
Hon, Hollie T., Jr.
Howe, Edward G.
Hower, Robert G.
Irby, Dewitt T., Jr.
Izzard, William A.
Johnson, Charlton G., Jr., O5314904
Johnson, Walter deF.
Jorgensen, James P.
Karlseng, Robert C.
Kennedy, Howard, IV
Kovach, James E.
LaBoa, Guy A. J.
Larson, James W.
Loftus, James S., Jr.
Magenis, Richard S.
Massey, George M.
McLane, Earl L.
Montgomery, James R.
Moore, Larry D.
Mueller, Thomas O.
Mueller, Tommy R.
Neisess, James A.
Nichols, Brent H.
Norberg, Edward J., Jr.
Norvell, Benjamin R.
O'Connor, Dennis L.
O'Donnell, Thomas J., Jr.
Overcash, Johnny B.
Paris, James R.
Pasley, John R.
Pedone, Peter J.
Poehler, Bruce B.
Powers, William S.
Quirk, Gerald L.
Reynolds, Marcel F.
Richardson, Thomas C.
Rockswold, Ellis G.
Root, David K.
Rutherford, Jerry R.
Salas, Andres E.
Sellers, Kervin R.
Snyder, Bradley J.
Solis, Emilio R.
Spears, Lacy L.
Spencer, Thomas A.
Spivey, David A.
Stephens, Robert L., Jr.
Swant, Billy J.
Tallman, Harold S.
Tellier, John A.
Trigg, Thomas R., Jr.
Tryon, Michael A.
Wamre, Dennis M.
Ward, Robert E., III
Weeks, Robert S.
Wells, Wade G., II
Westberg, William J.
Wilkinson, James E., Jr.
Wright, Carleton C., Jr.
Wright, Rodney L.
Yearout, Robert D.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 20, 1962:

DEPARTMENT OF COMMERCE

Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce.

FEDERAL POWER COMMISSION

Harold C. Woodward, of Illinois, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1967. (Reappointment.)

House of Representatives

WEDNESDAY, JUNE 20, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Matthew 9: 36: *When He saw the multitudes, He was moved with compassion on them.*

Almighty God, as we think of the vast multitudes who inhabit this world, we shamefully acknowledge that for many life is a difficult struggle, full of peril and fraught with despair.

When we look at them we also are moved with compassion, for it seems as if their whole earth is a place of griefs and graves, and each day a veritable combat against odds and handicaps which often cause their hearts to ache and break.

We are not asking Thee to bless us with a sheltered life, secluded from all hardships and hazards, for human experience teaches us that these are the things men live by and attain with fullness of maturity.

Grant that we may incarnate the spirit of our Lord whose faith was strong and radiant, enabling Him to transmute loss into gain and defeat into victory.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced the appointment of the Senator from Idaho, Mr. DWORSHAK, as an additional conferee on the bill (H.R. 10802) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes."

WEST VIRGINIA'S CENTENNIAL

(Mr. HECHLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HECHLER. Mr. Speaker, 99 years ago today, June 20, 1863, while Abraham Lincoln was President of the United States, the State of West Virginia was admitted to the Union. Several years ago there came into my possession an American flag with 35 stars which was the flag used when West Virginia was admitted to the Union, West Virginia being the 35th State.

With the permission of the Speaker and the House, I should like to display this flag this morning, as a means of calling attention to the centennial of the great State of West Virginia, which will occur next year.

I hope that all those who see this 35-star American flag, and who hear or read these remarks, may come to the West Virginia Centennial celebration. On behalf of the State of West Virginia, I especially want to invite all of my colleagues to visit West Virginia in 1963.

CALL OF THE HOUSE

Mr. MACK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 120]

Adair	Fisher	Merrow
Addonizio	Flood	Moulder
Alford	Frazier	Powell
Bass, N.H.	Frelinghuysen	Rains
Bennett, Mich.	Garland	Riley
Blatnik	Glenn	Saund
Blitch	Gray	Scranton
Boykin	Griffin	Slack
Brademas	Harrison, Va.	Smith, Miss.
Brewster	Hoffman, Mich.	Spence
Celler	Horan	Stubblefield
Curtis, Mass.	Jarman	Thompson, La.
Davis, Tenn.	Kearns	Thompson, Tex.
Dawson	Lennon	Tupper
Denton	Loser	Van Zandt
Diggs	McDonough	Yates
Farbstein	May	

The SPEAKER. On this rollcall, 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALLS

Mr. KILBURN. Mr. Speaker, on rollcall No. 116 of June 18, 1962, and on rollcall No. 119 of June 19, 1962, quorum calls, I am recorded as present. I was absent, and did not answer to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. KING of Utah. Mr. Speaker, on yesterday, June 19, I was absent from the city on account of official business. I should like the RECORD to show that had I been present I would have voted against the motion to recommit on H.R. 12154, a bill to amend the Sugar Act, and I would have voted in favor of the bill on final passage.

FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from North Carolina [Mr. COOLEY] had 1 hour and 28 minutes remaining, and the gentleman from Iowa [Mr. HOEVEN] had 1 hour and 34 minutes remaining.

The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I had not expected to take part in this debate, certainly not at this time, until just a moment ago when a letter was brought to my attention, written by the Secretary of Agriculture to what apparently is a select list on the Republican side. The letter I have here is addressed to my colleague the gentleman from Missouri [Mr. CURTIS]. This amazing statement is included in the second paragraph:

> It is a well-known fact that the Republican leadership is opposing these goals just for opposition's sake, and I know you are under great pressure to follow this course.

I just want all of the membership to know, and particularly the Members on my side, that I resent that kind of statement even if it comes from the Secretary of Agriculture. As the minority leader, it challenges my integrity and my good faith.

I have been in the Congress now going on 28 years. When I first came to the Congress we were in the depths of a depression. Farm bills were offered by a Democratic President in a Democratic Congress. I supported them. Through the years I have supported farm legislation that I thought was good for the farmer and good for the country. But,

on occasion I have opposed legislation because I thought it was bad.

Having this letter from Mr. Freeman in mind, I want to say that so far as I know no one in the leadership on the Republican side is twisting anybody's arm here. The measure before us has been considered in the Committee on Agriculture. On our side we are represented by able, conscientious people who know something of the farmer's problem.

Certainly, there is opposition to this bill. I want the Secretary to know, and I will put my reputation for integrity up against his, and leave it to any one of you to decide, that I have looked at this bill and have talked with our members on the committee as well as other interested people, yes, even with people on the Democratic side, and as a result of those conversations I am against this bill because it is a bad bill. It offers the farmer the choice of regimentation or ruin. What sort of choice is that?

The claim that it is going to save money is as phony as it can be. No one really knows what the impact of this bill, if it is passed here as it is before us, will be not only on the farm economy of our country but on our whole economy.

I represent a district in Indiana where we have a lot of good farmers. I know them. They, too, have talked to me about this bill. They do not want this legislation.

Let me just point out that if I were looking at the politics of the situation I might say, "All right, my Democrat friends, pass this bill. We will give you plenty of rope and you can hang yourselves." But I have never operated on that basis during my service in the House of Representatives, and I have been here too long to change now.

I say again that this is a bad bill. I am convinced that anyone who has studied it and really knows about it realizes it is a bad bill. All of the farmers who have talked to me in Indiana, and they cannot all be mistaken about it, do not want this legislation. If I voted for this bill, I would be voting against the overwhelming majority of the people in my district, who are vitally interested in it.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I had not intended to speak on this bill at this time, but I think in view of the remarks of the distinguished minority leader, a few remarks by me would be in order. In the first place, I want it known I do not question the integrity or the character or the sincerity or the good faith of the distinguished minority leader. He knows the regard in which I hold him. But I think it should be pointed out here that if the Republican minority on the Committee on Agriculture has a substitute for this bill, nobody has seen it.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. HOEVEN. I wish to advise the majority leader and the committee that during the committee's deliberations on the bill, the gentleman from Minnesota [Mr. QUIE] offered a substitute to the entire bill and it was voted down by a vote of 19 to 14, as I recall. There were other amendments proposed by the minority and they did not prevail in the committee. So when the gentleman alleges that the minority did not propose any amendments, he is entirely mistaken.

Mr. ALBERT. I will say to the gentleman that I have not seen the proposal. The distinguished gentleman from Iowa is the ranking member of the committee, and if there is a Republican position, that position should be stated by him.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman.

Mr. HOEVEN. I think that the gentleman from Iowa on yesterday made it perfectly clear that we on the minority side are opposed to regimentation and control of the American farmer and creating a czar out of the Secretary of Agriculture. That is our position.

Mr. ALBERT. My answer to that is that I am opposed to regimentation and control also, but there is no regimentation or control in this bill. You cannot put into effect a single provision in either the feed grains or wheat sections of this bill unless two-thirds of the farmers support it.

That is the first thing. Now I might say that the disclosures—and I had not intended to mention this—made before the Fountain subcommittee indicates there is or there might be a Republican position of opposition and negativism with respect to this proposal.

Now does anybody deny that Mr. Martin Sorkin was a member of the staff of Secretary Benson?

Does anybody deny that Mr. Sorkin attended a meeting at which important officials of the Republican party were present?

Does anybody deny that Mr. Sorkin has been on a retainer for an organization that has financially supported Billie Sol Estes?

Does anybody deny that Mr. Sorkin has said that it was the consensus of the meeting of Republican leaders to which he was invited, that they were not going to offer constructive proposals but were going to oppose Democratic proposals in the farm bill?

Now, Mr. Chairman, I am glad that the distinguished gentleman from Indiana and the distinguished gentleman from Iowa have said that they will approach this subject in a constructive manner; that they will offer constructive proposals; that they will try to improve this bill—and I am sure it can be improved. I have never seen a bill that could not be improved.

Yes, you can jeer and you can cheer—you have jeered and you have cheered for 30 years but you have only controlled two Congresses in all that time.

Mr. Chairman, I hope my friends on the Republican side know, as I know the distinguished gentleman from Indiana knows, that I have never tried to play politics on the farm issue on the Committee on Agriculture. But the time has come when we need to get away from the 1958 Feed Grain Act and when we need to get away from the Wheat Act that is piling surplus upon surplus at a cost to the taxpayers which this country can ill afford to continue.

Mr. HOEVEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am sure this bill will be fully debated before we finally vote on the measure. I want to call the attention of the Members to page 10168 of yesterday's RECORD in which the distinguished gentleman from Rhode Island [Mr. FOGARTY] points out very clearly why he is opposed to this bill. Among other things he said:

> It is my firm belief that the wheat provisions of this bill embody a "bread tax"—and anything that even suggests that kind of a tax should be of great concern to those of us who represent the urban areas.
>
> I do not use this expression "bread tax" loosely. I realize it is a serious statement. As I see it, this bill contains provisions that would tax American consumers more than $164 million a year for their daily bread.

I hope that Members from the urban districts will take heed.

Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, before I speak what is on my mind I want to refer to what our distinguished majority leader has just said relative to no bill having ever been on the floor of the House that could not be improved. I am amazed that the chairman of the Committee on Agriculture would bring out such a poorly constructed bill that already there have been proposed at least 13 amendments which apparently are going to be accepted in toto by the chairman of the committee in order to get his bill through. In fact I feel he is going to accept any and all amendments in order to draw additional support for the bill. This is an amazing procedure to say the least. One would suppose the chairman would want to protect his bill, but such is not the case.

Mr. Chairman, I have the honor to represent one of the finest agricultural districts in the Midwest. My district is richly endowed with black, fertile soil and a God-fearing people who enrich it with their labors, asking no more from the land than they give it and asking no more from their Government than they are willing to give it.

It is for these people that I speak. But no words of mine can adequately express how deeply disturbed our farmers are that we should have before us a bill of this character. I hope his voice can be heard above the political drum beatings of Secretary Freeman.

By propaganda, by pressure, by political promises, by patronage and by projects, Secretary of Agriculture Freeman has been clubbing the bill through Congress that he will be able by its terms to club the farmer to his bidding. And that is no exaggeration.

Are we so blind that we do not see, so deaf that we do not hear, so dumb that we do not understand that it is the

preconceived plan of the Secretary of Agriculture to make himself virtually czar of agriculture? His objective was set forth last year when he recommended to the Congress a comprehensive farm bill that would have vested in the Secretary of Agriculture unprecedented legislative as well as executive powers. If enacted, it would have made our farmers economic peasants and political pawns.

While Secretary Freeman's proposal was summarily rejected by the Committee on Agriculture last session, his plan for agriculture has not changed. This bill is a part of that preconceived plan. He is now attempting to accomplish piecemeal what he failed to accomplish last year. The governmental philosophy of Federal control and dictation embodied in the measure we rejected last year is embodied in the measure now before us. This bill is less comprehensive than last year's proposal in order to make it more palatable, but the principle of compulsion is the same.

Surely we need no more than the bill proposed by the Secretary of Agriculture last year and the dairy farming provision proposed this year to appreciate what Secretary Freeman's philosophy is. We are grateful to the Committee on Agriculture for discarding the Secretary's dairy recommendation. But we cannot be unmindful that he believes that our dairy farmers should be under a licensing system and that he would fix a fine of $2,000 or 1 year in the penitentiary, or both, for any farmer that failed to keep proper books and record as determined by the Secretary.

Can we not see, and cannot we understand what the Secretary of Agriculture plans for our farmers? This bill is only a part of what will ultimately mean the complete regimentation not solely of the feed grain farmers but of all farmers.

Can we not see, and seeing, can we not understand, that Secretary Freeman's legislative strategy is to divide and conquer? By limiting the scope of the bill to only some of our agriculture commodities, he anticipates that there will be little or no opposition to his proposal from those sections of agriculture not affected by the measure. But I cannot believe that he can divide the farmers of the country, whether they raise wheat and corn, or tobacco and cotton, on such a fundamental principle as is involved in this legislation.

If we adopt this principle of compulsory Government controls for agriculture, by what logic can it be said not to be a sound principle to be adopted not only to all of agriculture but to every segment of our economy? If it is good policy to give a few people in Washington the power to decide how much you shall raise, how much you can sell, and at what price you can sell it, by what logic can you say that this power in Washington to decide upon production and prices and wages should not be applicable to every phase of our national economy?

As a part of this divide and conquer strategy, the Secretary repeatedly points to the fact that tobacco and cotton are presently under more rigid controls than wheat and corn. That argument fails to take into account a number of differences between the commodities. Time precludes any detailed discussion. But there is one major difference that must be mentioned. In the instance of such commodities as wheat and corn, we are dealing with food. We are dealing with a necessity of life. Today it is in abundant supply. In our zeal to solve the problem of overabundance we may, in our zeal, ultimately create the more distressing problem of a scarcity.

The administration argues that this legislation would accomplish three highly desirable objectives:

First. That it would increase farm income.

Second. That it would result in savings of $1 billion a year over the next 4 years.

Third. That is would get the Government out of much of its grain storage activities and thereby prevent future scandals of the kind involving Billie Sol Estes.

The truth is that the bill before us would achieve none of these goals. It would, however, submit farmers to the harshest production controls in American history. It would sharply restrict the farmer's right to make his own management decisions. It would make him more dependent upon Government and less dependent upon the marketplace for his income. It would, over a period of time, boost consumer food costs, first by reducing feed grain supplies which would, in turn, mean less and more expensive meat, eggs, poultry, and dairy supplies.

It is impossible to square the administration's claims that the proposed Farm Act would raise farmer income and reduce Government costs by a billion dollars a year at the same time. First, let us remember that the bill would force an arbitrary acreage reduction of 20 percent. To offset at least in part the income farmers would as a result of the one-fifth cut in wheat and feed-grain acreage, the Government would make land diversion payments. Thus, the sponsors of this legislation admit that additional Government payments would be required just to maintain farm income near present levels.

These payments will come, of course, from the U.S. Treasury. This raises an obvious question: How can the Government reduce the costs of its farm programs by $1 billion a year while increasing its cash outlays for such programs?

Perhaps the same administration economists who have been making erroneous budget forecasts for the last 18 months have been called in to show the Department of Agriculture how to save more by spending more.

During the TV debates of 1960, Mr. Kennedy said his farm program would cost $1½ billion to $2 billion less than the plan then in effect. Actually, the Kennedy program cost $1 billion more during the first year and the costs have continued to mount during the second year.

Now, if the administration program will not cut costs and will not boost farm income—and quite obviously it will do neither—what of the argument that it will prevent future scandals of the Billie Sol Estes kind? If the program should reduce surpluses over a period of years, as its supporters contend it would, there would be a wild scramble by grain storage operators to keep their warehouses at least partially filled with Government-owned grain. Competition for grain storage would become fierce and the opportunities for special favoritism would be multiplied. Acreage allotments would also become more valuable by becoming more scarce. Again, the temptation to engage in fraudulent allotment exchanges would be greater, not less. The argument that the proposed bill is needed to prevent future scandals is preposterous.

What disturbs me most about this legislation is the mischief it will work in the Midwest—in the corn-hog-cattle operations of hundreds of thousands of family farm people who, up to now, have been relatively free of Government controls and have enjoyed a reasonable measure of prosperity as a result of their own efforts and decisions. For the first time, they will be told how much feed grain they can produce. For many of our farmers, this is the equivalent of being told how many cattle and hogs they can feed. And this, in turn, is the equivalent of putting a ceiling upon the amount of money they can earn, and placing a limit upon their right to expand and prosper.

This is not in the tradition of freedom that American farmers have enjoyed throughout the Nation's history. If the Government can intervene in the private operations of the individual farmer to the extent that is proposed in the present bill, then it can similarly intervene in the lives and the business operations of all Americans. And this is exactly what some of the professional planners have always wanted to do.

The demands for approval of the administration farm bill are not coming from the farms. As I stated earlier, I have the honor to represent one of the Nation's most productive farm districts and the only interest farmers of that area have in the pending bill is an interest in seeing it defeated.

This measure is not needed. It is not wanted by the farmers who would be most directly affected. It is not in the best interest of the country as a whole. It should be defeated.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. GATHINGS].

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, lengthy hearings were held on the long-range farm bill which we now have under consideration. In addition to the time taken for the actual testimony presented to the House Committee on Agriculture, many days were required in executive sessions. The subcommittees also worked on various phases of the legislation and made recommendations to the full committee. During the course of the hearings almost 1 week's time was devoted to the cropland retirement pro-

gram. Many bills on this subject, a number of which were identical in phraseology, were before the committee. This program was an alternative to the bill which was approved by the House Committee on Agriculture, H.R. 11222. Since so much time was given to the cropland retirement program, I think that it might be well to discuss this legislation at this time.

The declaration of policy contained in the bill is as follows:

DECLARATION OF POLICY

SEC. 2. The Congress finds that the production of excessive supplies of wheat and other grains depresses prices and the income of farm families, constitutes improper land use, and is wasteful of our natural resources. It is hereby declared to be the policy of the Congress and the purpose of this Cropland Retirement Act of 1962 to bring the supplies of wheat and other grains into line with current demand so that (a) farm prices and per family farm income can be increased; (b) the surplus of these commodities can be reduced; and (c) the public cost of farm programs can be decreased. To effectuate the policy of Congress and the purpose of this Act, programs are herein established to assist farmers to divert a portion of their cropland from the production of excessive supplies of wheat and other grains, and to carry out a voluntary program of soil, forest, and wildlife conservation.

Those principles are laudable. Could they be accomplished under legislation of that kind?

The legislation provided for the renewal of expiring conservation reserve contracts. It was estimated that at the end of 1960 at the time when the authority to sign contracts ended, there were 306,000 conservation reserve contracts covering 28.7 million acres in 47 States. The next step in the proposal was for the Secretary to negotiate long-term contracts to retire additional acreage on the basis of competitive bids. It was suggested that emphasis should be made on bringing in whole farms under the program. The rates of payment to retire land would be fixed by the Secretary of Agriculture in keeping with the provisions of the legislation. The actual rate itself was to be set at such a level that cropland acreage on a voluntary basis may be brought into the program by the Government agreeing to pay attractive land rental payments. The system was presented as being a voluntary one and the amount of the payment to be determined by competitive bid. Cash or in-kind payments were to be made. The in-kind payments were to equal 115 percent of the support level. According to the testimony of those who favored the bill, 65 to 80 million acres would be required to be retired in order to meet the objectives of the program. Under these bills, the Secretary was to announce not later than February 1 of each year a determination of:

First. The total estimated cropland available for production of crops in the country.

Second. The total acreage of wheat, corn, grain sorghum, oats, barley, rye, soybeans, and flax seed that would be required to bring the estimated annual production plus the anticipated release from the Commodity Credit Corporation stocks into balance with the estimated annual disappearance of such commodities.

Third. The required number of acres of cropland that would be retired and used for soil conserving purposes.

The opponents to the crop retirement plan argued that the program would involve about 76 million acres, of which 36 million would not now be prdoucing any crop whatever in surplus supply.

The cropland retirement bill would fall short in bringing farm income to farm people and farm communities. The plan would not eliminate the mammoth and burdensome farm surpluses, and instead of reducing costs, the costs would be considerably higher than the costs of H.R. 11222. By retiring whole farms and the loss of income of farmers in not being able to put the land to productive use, would bring back the destructive soil bank to rural America and further drive the people from the land.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Virginia.

Mr. JENNINGS. I desire to compliment the distinguished gentleman from Arkansas [Mr. GATHINGS] for pointing up some of the drawbacks to this land retirement program about which we have heard so much during the debate on this bill. There is no doubt that it will, as the gentleman has pointed out, dry up some of our rural communities. It will work to the detriment of the small country merchant, country fertilizer and machinery dealers, and many others. But I also want to point out that involved in the consideration of this land retirement program which the gentleman has discussed is the cost involved in that program.

How much does the gentleman think it would cost for a farmer to retire his productive acres?

Mr. GATHINGS. I will say to the gentleman that I shall get to that point, and at that time I will gladly yield to the gentleman just a little further on. I am going to discuss that point in just a moment, if the gentleman will permit me.

Mr. JENNINGS. If the gentleman will yield further, I wish the gentleman would do that.

Mr. GATHINGS. I shall yield to the gentleman in just a moment.

Such results would be far-reaching in the farm areas; businesses would close up, or those that remained would be forced to operate on a mighty thin edge to stay in business at all. The bill that is now being debated would cut back on surplus products, maintain a reasonably high rate of farm income, and appreciably reduce overall costs of programs for feed grains and wheat.

Let us estimate the approximate cost of the cropland retirement proposal. From the hearings it is found that the national average receipts for corn to a farmer amount to $40 per acre; wheat, $21; oats, $15, each rounded to the nearest dollar. In arriving at rates of payment to farmers, the estimate should approximate the gross receipts less the actual operating costs. The payment rates per acre with the calculated gross income minus costs for each crop would show as a national average a payment of approximately $20 an acre. To get actual productive land out of cultivation the owner would place quite a premium on its value under the system of voluntary competitive bidding. With the emphasis upon taking out full, whole farms as the sponsors contended, the purpose was to pay for this idleness of land use over a period of years. The taxpayers would pick up quite a heavy cost. The communities would suffer even worse. An estimated 76.2 million acres would be required to make the program effective, making the total cost for 1 year's operation $1,520 million. If a farmer had the privilege of contracting his cropland, that is, any cropland that he has available, for a particular rate of payment, what cropland would he reduce? He would reduce the low-value crops and work tirelessly to increase the yield on the remaining land he tilled.

Now I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, what I wanted to ask the gentleman is this. How much does he think it would cost on an average to take productive land out of production, 1 acre of good, productive land?

Mr. GATHINGS. It would take an average of $20 an acre, according to the hearings.

Mr. JENNINGS. That is right. It would cost at least an average of $20 an acre and in many cases it would cost more. It was estimated that in this land retirement program it would be necessary to withhold land for a period of from 5 to 15 years. If you paid $20 to $25 an acre for the land over a period of 5 to 15 years, you would have bought the land many times over and the land would still be there as a threat of surplus production when you turned it back. So, at the end of the 5 years or the 15 years, you would have to renew contracts for another period of years. So you would have the land and paid for it several times over, but you would not have title to the land and it would still represent a threat of production of surplus commodities; is that not correct?

Mr. GATHINGS. That is correct; I thank the gentleman very much for his splendid observations. It would lead to land speculation as well. This type of program has been tried before. It failed to aid agriculture—it drove farmers from the land.

Comparison of costs for 1963 of the cropland retirement program with the food and agriculture bill, H.R. 11222, reflects the following: To retire 75 million acres, the net cost to the taxpaying citizen would be $1,490 million. Under H.R. 11222, with corn supports estimated at $1.20 per bushel, the costs would amount to $692 million. If we figure the corn supports at $1.30 per bushel, the cost to the taxpaying citizen would be $589 million. By taking the higher figure of $692 million cost, the cropland retirement program for the 1 year, 1963, would amount to an outlay of $798 million more than the legislation we are now considering.

There were many sponsors of this legislation. Eight bills which were similar

or identical were introduced by well-meaning, dedicated men. March 13, 14, and 16, 1962, were given over to the hearings on the cropland retirement and extension of expiring conservation reserve contracts. Painstaking, honest, and wholehearted consideration was given this legislation by the committee. What was the result of these 4 days of hearings and full discussions? The plan was never mentioned again so far as I know. This was the alternative offered our committee.

I trust, Mr. Chairman, that the legislation we are now considering will be approved.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, it has been mentioned in this debate that the Republicans oppose this legislation only for opposition's sake; that they are interested in no legislation which will benefit the farmer. This is absolutely untrue. During the taking of testimony the President of the Farm Bureau, Charles Schuman, came before us and the question was asked him as to what amendments he wanted to this bill to make it work. He used this analogy. There are two planes, exactly the same kind, with comparable crews, everything similar. But one of them is going to New York and the other is going to San Francisco. If you are going to San Francisco, you do not want to make any changes to the one that is going to New York, because you do not want to go in that direction.

Those of us who opposed this bill in the Committee on Agriculture—and all the Republicans did—did not want to take the road of regimentation and control. We wanted a voluntary program.

I am the ranking Republican on the Livestock and Feed Grain Subcommittee. As soon as we began working on the feed grain section of this bill I made the proposal to the chairman, "Let us decide now whether we are going the route of mandatory controls or the voluntary route." The decision was made in the subcommittee we would go the mandatory route, and it was stated that there was no use for any of us who were favoring the voluntary route to offer amendments to the mandatory feed grain provisions.

When we reported the feed grain section to the full committee, again I asked the full committee to decide which direction this airplane would go. Again the majority decided to take the mandatory route but not the voluntary route. So that is the direction we took all the way through.

It has been stated here that the Republicans made no proposal of merit. After the committee had completed its work on this mandatory program it was impossible to report it from the committee. There were not the votes necessary to report it. So I decided I would prepare a substitute that embodied as much of the administration bill as I could accept but change those portions which I could not accept in such a way that I could support the bill. I offered that substitute, and even though it got 14 votes it was not enough to carry it. So you can see the Republicans have been trying and trying hard to get the committee to consider legislation which we believe would be of merit. The majority would not even seriously consider our proposals. I ask, Who was being partisan?

Let us look at the legislation itself and find out why we oppose this legislation. In the past never have feed grain farmers been subjected to marketing quotas. Never has it been the case that every feed grain farmer was forced to take a cut in production against his will. It was never put into effect when it was law, and this was repealed in 1954. No Secretary of Agriculture would invoke marketing quotas on feed grains while it was on the books for many years, because they knew it would not work.

We have had control programs, as has been pointed out, on cotton, tobacco, rice, peanuts, and wheat, but every time those farmers cut back their production of that commodity they did not cut total production, they put those acres into feed grains, so they were still raising crops from fence row to fence row. Never in the past has a man been refused the right to raise as much of the feed grains as he needed to feed his livestock. He will be denied that under this bill.

If there were no other way to balance feed grain production with demand, I would sit down right now and say, "Let us vote for this legislation," but we have proven some successes in the emergency feed grain program that was in effect in 1961 and is in effect right now, which we can build on for a successful voluntary program. A voluntary feed grain program permits each farmer to manage his own farm. Under the present voluntary feed grain program better than 24 percent of the feed grain acres, that is, grain sorghums and corn, have been idled. That means that the farmers who found that feed grain acreage reduction fitted within the management and operation of their own farms. They could idle between 20 and 40 percent of their acres and they went ahead and did it. The remainder of the farmers to whom it would not fit into their operation, in fact it might have even thrown them into bankruptcy if they were prohibited from raising crops on all their acres, did not comply. They did not receive price supports, of course, so it did not cost the taxpayers a cent. Their production could not go into Government storage so no storage money was paid out for their grain.

May I ask you why should we require, as this bill requires, for each farmer to take the same kind of cut, such as 25 percent of their production, no matter what their farm operation is like? If one farmer is overmechanized and says, "I cannot take the cut," and the other is undermechanized and can cut 40 percent, let the one voluntarily cut 40 percent and the other one produce what he wants without receiving price supports. You get the same kind of reduction in production as the mandatory program, but the farmer would be managing his own farm the best he knew how. This is the kind of agriculture we have had to date. This is what the Republicans want. At this point I would like to read from the May issue of the Farmer Union Grain Terminal Association Digest:

> Farm Secretary Freeman's supply-management program is given only 50–50 chance.
>
> Is there an alternative? Yes. It is a continuation of the 1961 and 1962 feed grain programs, and 1962 wheat program. They were designed to be temporary emergency programs, to bridge time gap until permanent legislation could be passed. But they have been so successful that many say, "let's keep 'em going for a while."
>
> It makes good sense. Farmers, commodity groups, business interests need time to adjust to supply management. Farmers have proved willingness to curb production, but need time to unify, get strong leadership into the field. Congress needs time to mull over the whole program. Maybe a continuation of present emergency program would please everybody.

The Secretary of Agriculture said in his testimony in the Senate one of the reasons why he did not want to continue the voluntary feed grain program was, and I quote:

> It does interfere with the orderly functioning of the market, resulting in a number of localized situations that are difficult to handle and cause disruptions.

This is what I tried to tell you people on the majority side last year.

This is the reason why the Republicans opposed the bill last year. Section 3 of the original feed grain bill gave the Secretary of Agriculture unlimited power over the commercial by permitting to sell all of our surpluses at the market price. This would have permitted him to market twice as much as is marketed by the farmers of this country in one marketing year. When the conference committee limited the Secretary's authority which he now says is causing difficulty, I voted for the bill because the basic features of the voluntary feed grain program would be permitted to work and we want it to continue to work now, but it is uncalled for to require every farmer to take the regimentation of this bill.

Some people say that the cotton, tobacco, peanut, rice, and wheat farmers have already accepted regimentation and controls; I say this is not true. When the cotton farmer reduced production he planted feed grains and as much as he wanted too, and in no past feed grain program was he forced to comply. The same has been true of the tobacco, peanut, rice, and wheat farmers. If we invoke mandatory controls on feed grains there is no place to turn. Farmers must idle a substantial portion of their acres even if it would bankrupt them. A dairy farmer may need all of the grain he raises to feed his cattle, but this law would prohibit him from doing it. The bill has an inducement for farmers to vote for the program by paying the farmers for idling his acres.

In the first year they would get 50 percent of what they normally raised, in the second year it is cut to 40 percent and in the third year it is cut to 30 percent. Afterward they would get no

payment for idling acres. You know what this is going to do to the farmers' income—it is going to drastically reduce the farmers' income. This bill is going to hurt the farmers. It is the reason why I refuse to vote for it.

Many of my colleagues think that under mandatory controls all feed grain farmers in the country would have to share in the reduction in production, but this is not true. As it was pointed out by my colleague, the gentleman from Iowa [Mr. HOEVEN], 37 States in the Union do not produce sufficient feed grains to fulfill the needs of their livestock industry. This means that the 13 remaining Midwest States would suffer the entire cutback in production in order to balance supply with demand. The Department estimated that it would take a 20- to 25-percent reduction in acres when the whole country was covered. Will this mean that the commercial areas of the country now will suffer a 35-percent mandatory reduction in acres. If a dairy farmer in Tennessee produced enough feed for his herd he would not be required to cut back. However, a dairy farmer in my district under like circumstances would be forced to cut his feed production and go out on the commercial market to purchase perhaps a third of his feed grain during a year. How could a more unfair bill be proposed?

This is not the end, however; the bill also provides that any farmer who produces 25 acres or less would be exempted. It is true he would be exempted from the cutback in production; however, he would be limited to his average production of 1959 and 1960, he would be subject to marketing penalties and would be denied the right to vote. Take for example the farmer whose son was in the service during those years and he reduced corn production to an acreage less than 25 while his farm had normally been producing 100 acres; he would be severely penalized without the right to vote in the referendum. In the other body, Senator PROXMIRE very effectively pointed out that small farmers are not really exempt in comments entitled "American Press Pathetically Inadequate on Farm Bill." You will find his complete discussion on page 8751, but in this regard I read:

One of the most controversial aspects of the bill is that over 1 million small feed grain producers, almost all of whom feed every bushel they produce on the farm, will be limited and strictly limited under this bill in their production of corn—even corn for silage—as well as grain sorghums. No feed grain farmers—I repeat no feed grain farmers—will be exempt. It is true that those who produce less than 25 acres of feed may elect not to vote in the referendum—in which case they will be excluded from any cutback—but they will still be limited to their 1959–60 base in what they produce, no matter how small they are.

How in the world can this be construed as an "exemption"? For more than a million small farmers will not be exempt. They will be strictly limited. If they rely on their newspaper, this report will be a cruel deception.

The Department of Agriculture is now saying that it has no intention to further control American agriculture. I have here a copy of a letter from Under Secretary of Agriculture Murphy to the gentleman from Texas, Congressman POAGE, and I read:

Charges have been made that the Secretary of Agriculture and his aids are "hell bent" on controlling the livestock industry and that the feed grain program is the first step in this direction.

This is absolutely not true.

I ask you, is the dairy industry considered a livestock industry? Before we knocked it out of the bill, Secretary Freeman proposed to control the dairy industry more than any other industry and put them under tight controls and then permit the purchase and sale of quotas. That is what Billie Sol Estes did and relied on that portion of the cotton law when he bought cotton allotments. This would legalize the purchase and sale of dairy quotas. That is the direction in which we are going because when the farmer cuts back on dairy production and has excess feed, he undoubtedly would feed it to some other kind of livestock which would increase the production of beef and hogs. Controls would then be necessary for cattle and hogs. This bill is the first step. But I want to point out what would be ahead of us in the dairy industry.

The administration seems bound and determined to cut the price support floor for dairy products. The original provisions sent to us by Secretary Freeman would have provided a cut from 75 percent of parity to 65 percent if the farmers accepted controls, but no floor on supports if the farmers turned down mandatory controls. This is a far cry from our present basic protection and a severe injustice to the dairy farmers, for the present law has effected changes in dairy production as the following table shows:

Price support announcements as percents of parity and milk productions in the 12 months following the announcement

Year	Price support announcement as percent of parity [1]	Milk production in the following 12 months [2]	Milk production change from previous year
		Million pounds	*Million pounds*
1950	79	116,164	−680
1951	87	114,313	−1,851
1952	90	116,480	2,167
1953	90	121,761	5,281
1954	75	121,668	−93
1955	80	124,447	2,779
1956	84	124,734	287
1957	82	124,309	−425
1958	75	123,245	−1,064
1959	77	122,532	−713
1960	80	122,930	398
1961	83	125,978	3,048
1962	75		

[1] In years when more than 1 parity announcement was made, parity prices were averaged.
[2] 12 months beginning Apr. 1.

Do not think, however, that the administration has given up. Next year they will undoubtedly claim that there is a dairy fiasco, or at least a butter fiasco. I think that the administration is permitting the surpluses to expand in order to gain support for their dairy control proposals.

Let us look at what happened in the past when we had surpluses like we do this year.

In 1954 the Commodity Credit Corporation purchases amounted to 324.8 million pounds of butter. In 1961, 327 million pounds of butter were purchased.

But, in 1954 the Department of Agriculture under a Republican administration disposed of 317.9 million pounds of that butter. But in 1961 it disposed of only 195.5 million pounds.

I enclose the following table to show what the Eisenhower administration did with its excess butter supply in order to prevent the storage problem this administration is getting itself into:

Purchases and utilization of butter by CCC, calendar years 1953 to 1961, inclusive

[In millions of pounds]

	1953	1954	1955	1956	1957	1958	1959	1960	1961
Purchases	358.9	324.8	162.3	164.7	173.5	183.8	123.7	145.3	329.5
Utilization:									
Commercial domestic sales	3.7	19.7	.3	.2	1.0	.1			
Donation:									
Domestic	71.0	113.0	108.7	94.6	99.0	143.8	79.6	105.0	170.7
Foreign	28.1	130.5	178.9	51.6					
Export sales		1.4	13.8	18.3	8.7	29.4	18.4	.9	1.8
Noncommercial export		11.4	26.6	2.8					
ICA (AID) transfers		9.1	3.6	18.3	2.2				
U.S. Army transfers	15.1	29.8	41.4	29.4	25.5	27.1	27.2	20.0	18.9
Other [1]	.3	3.0	5.9	9.7	6.0	7.7	5.2	3.5	4.1
Total	118.2	317.9	379.2	224.9	142.4	208.1	130.4	129.4	195.5

[1] Includes cocoa butter sales, transfers to Veterans' Administration, Bureau of Prisons, and Public Health Service, research donations and inventory reduction.

As this chart points out, the utilization for commercial domestic sales in 1954 was 19.7 million pounds.

In foreign donations for 1954, there were 130.5 million pounds moved and none in 1961.

For noncommercial export in 1954 there was 11.4 million pounds moved and none in 1961.

ICA transfers—9.1 million pounds in 1954 and none in 1961.

I charge the Department of Agriculture is not disposing of this surplus of butter so that they can build up a butter fiasco and force the Congress and the farmers to accept a dairy control program.

Mr. Chairman, as we look at this legislation, we find a most unacceptable feature. In the referendum the choice the farmers have to make is regimentation or ruin, as has been pointed out. I say it is like asking an innocent man whether he wants life imprisonment or the death sentence. If the farmer accepts the jail sentence you say the first year you will give him half enough to eat, the second year 40 percent, the third year 30 percent, and after that you don't need anything. It reminds me of the farmer who didn't want to feed his horse so he decided to wean him. When asked by his neighbor of his progress, he said that he had weaned his horse of eating and if he lived another week he would have weaned him of drinking as well. And you are asking the Republicans to come to you and say "We do not like your bill which triggers the gun with the index finger." You want us to offer an amendment so we will pull it with a different finger.

This is really the choice—whether we are going to ruin the farmers by this bill under either alternative which they are offered or refuse to pass the bill.

Mr. Chairman, these farmers are brothers, and you are asking for legislation to be passed that will actually either ruin the farmers on the one hand or rule the farmers on the other. Since our choice is to kill our brother or kill this bill, I choose to kill this bill.

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am against this bill.

This is a new experience for me. I have served in the House for 20 years. For 18 of those years I have been on this good committee that means so much to the rural people of America as well as to the tens of millions who live in our urban cities. Not one time during these 18 years have I come to this floor in opposition to a bill which had been approved by a majority of the members on my side of the aisle. So I say, Mr. Chairman, indeed this is a new experience.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HOEVEN. I just want to say that the gentleman now addressing the House, my very good friend, the gentleman from Mississippi, is one of the outstanding members of the House Committee on Agriculture. His advice is sought after. He is sound in his thinking. I want the membership to know that he is one of the most valuable members of the House Committee on Agriculture.

Mr. ABERNETHY. I, of course, appreciate the gentleman's remarks.

Mr. Chairman, I have a very high regard for the distinguished chairman of my committee and my Democratic colleagues. I would like to say again that I deeply regret that my views are not in keeping with theirs on the bill.

Mention was made yesterday afternoon and again this morning about politics. No doubt there is some politics in the debate today, as there was yesterday and as there will be tomorrow; and there will be some next year, and in the years ahead.

Maybe this is not the best system, but it is the existing best in the world and indeed it is the best that we have found up to now. I am very happy we Americans under our political system are able to settle our differences with ballots and not with bullets, even if politics does sometimes enter into our considerations. However, may I assure the Members of this body that my position on this bill is not prompted by politics. The same applies to the remarks that I shall make.

I would like also to say, Mr. Chairman, that I have nothing but the highest praise for Mr. Freeman, our Secretary of Agriculture. I think the farm people of this country owe him a debt of gratitude. In his travels through the length and breadth of this land he has had nothing to say about the farmers except that which was good. He has not inculcated into the hearts of the American people the view that the farmers of this country are leeches or parasites upon the American economy and the Federal Treasury, as some have done. He has consistently and properly in every speech told the American people that the efforts of agriculture and the American farmers have been always in the best interest of the country, and he is absolutely correct.

He has repeated time and again that the story of American agriculture is one of the great success stories of all time. The American people are the best fed people on earth. They wear the best clothes produced from the world's finest fibers, all grown and made right here in America. These are products from our farms.

While Russia, Cuba, and other Communist nations live under food rationing, for the American he has nothing short of the most and the best.

Secretary Freeman has brought this home to our consumers, whereas others have talked of nothing but farm surpluses and endeavored to prejudice consumers against farmers and farm programs.

Now, why do I oppose the bill? I presume you are interested. I hope you are. There are titles of this bill to which I have no objection. I am going to support them. I really think we would be in better position today had we not brought the bill to the House in the form of an omnibus bill. Each title is entitled to consideration on its own merits. Each is sufficiently important to be and in my judgment should have been considered in separate bills. In recent years we have endeavored to legislate on farm matters in one big bill, an omnibus bill, including many unrelated titles. I do not think this is the best method. It denies us a clear-cut vote on each important issue. In any event, the majority of the committee feel the omnibus route is the best. At least they thought so in this instance. So here it is in ominibus form.

My objection is directed primarily, and I might say almost entirely, to the feed grain section.

I do not shudder when anyone speaks of controls. I do not run out, get scared and frightened when they make reckless use of the word "regimentation." I agree with what my leader said this morning when he stated there is no regimentation, and there is not because the farmers under present control programs do have the right to vote on the measure. Unless they approve by a two-thirds vote, it does not become effective. If there is regimentation in these programs, they regiment themselves, and certainly they should have that privilege, if they want it. It is, however, already evident that they do not want a program of controls for feed grains. And if they do not want it, then indeed it should not be shoved upon them.

We do have what we call control programs dealing with cotton, rice, peanuts, tobacco, and wheat. They fit into these categories of farming. But each of those commodities is an industrial commodity. They are produced on the farm, and sold in the market. Cotton is not produced on the farm to be consumed on the farm. Cotton is produced on the farm to be moved into and sold in the market. The same is true of tobacco, the same is true of wheat, the same is true of peanuts, and of rice.

But feed grain, Mr. Chairman, is in an entirely different category. Feed grain is an element to the end result of the production of cattle, of milk, of poultry, and pork. Grain is as important in a cattle, beef, pork, or poultry operation as is a tractor. It is as important as the fence that surrounds the pasture. Even the fencepost is an important element in my area in the production of the steer. These things, all of which go into and are necessary elements in the production of a steer, are just as important as the feed. All are required to produce the steer, or the milk, or pork.

If you control feed, you control an important element of the production of the end result of that farm—beef.

Why not control the fence posts? Why not limit the amount of fencing, reduce the size of the pasture? The tractor is an important element in a beef, dairy, and poultry operation because it is with the tractor that the farmer produces feed for the end result of the farm.

So, why not control the number of tractors on a livestock farm? To do so would be just as disastrous to many livestock operations as would control of the livestock farmer's feed grain acreage. And may I remind you that 85 percent of the feed grain is used in livestock

farming operations in the areas where it is produced, and 75 percent of all feed grain is actually used and fed on the farm. It never reaches the market. It is not grown for market. It is grown by farmers in most instances to feed their own cattle, dairy cows, hogs and chickens.

Now, these are the reasons that farmers oppose the feed grain section. These are the reasons I oppose it. The feed grain section is an attempt to control the end result of a livestock and poultry farming operation. Somebody says, "Well, don't you have that for cotton and these others?" Yes, but the control program fits into that type of a farming operation. It does not fit into beef, dairy, and poultry operations. Cotton, tobacco, rice, peanuts and wheat are grown for market. They are in their entirety, except a small amount of wheat for feed, industrial crops.

So my opposition to the application of a control program to feed grain, which is nothing more than an element of livestock and poultry farming operations.

Now, the proposal to control feed grains is not anything new. This is not a new proposal; this is not a new idea; this is not an innovation in agriculture or in agricultural legislation.

Twenty-four years ago this Congress approved what was known as the Agricultural Act of 1938. At that time the Congress approved a bill which did include and incorporate corn into a controlled program. Now, listen to this: Not once did any Secretary of Agriculture ever invoke controls upon the production of corn; not once.

Mr. Wallace was Secretary of Agriculture through the 5th day of September 1940. He had the authority to invoke controls upon the production of corn, and not once did he do so. He was succeeded by Mr. Claude Wickard, another Democratic Secretary of Agricuture. He went into office on the 5th day of September 1940 and retired on June 2, 1945. For 5 long years he never invoked the authority to submit corn and feed grains to a controlled program. He was succeeded by another Democratic Secretary, the Honorable CLINTON ANDERSON, who used to be a Member of this body and is now a Member of the other body. This is very significant. He served from the 30th day of June 1945 until the 29th day of May 1948 during all of which time he had the authority, if he saw fit, to submit corn to a controlled referendum, and not once did he submit it. That Secretary was succeeded by another Democratic Secretary, Mr. Brannan, a very much maligned and abused man of his day but a man of conscience and conviction. I differed with him on many occasions, but I respected and admired him. He served from the 2d day of June 1948 until the 20th day of January 1953. During his entire service he had the authority and the power to submit this identical issue to farmers in a referendum—a means whereby they could invoke controls upon corn and not once did he invoke it. The same was true of Mr. Benson.

Now, when did farmers get into this feed grain trouble? They got into it in the middle fifties. Under the old Agricutural Act of 1938 the Secretary did have the authority to invoke simple acreage allotments, but such was not compulsory. Farmers had a choice of compliance or not to comply. Each was his own judge. Year after year such a program was in effect before the mid-fifties. It worked quite well and often corn was supported as high as 90 percent of parity. We never once built up an unmanageable surplus of feed grain under that program until the Department initiated a program in 1955 of supporting noncompliance corn. It had such authority but its use was unwise and a grave mistake. Through this means they supported the price of corn for farmers who had not complied with their acreage allotments. So, what happened? This encouraged more and more farmers to plant more and more corn. Why should they not? The sky was the limit. Price support at high level, much higher than now, was assured on unlimited production. This, plus the act of 1958 which assured a handsome level of price support on unlimited production, encouraged and skyrocketed grain production. No wonder we are in the soup. But let us not burn down the house in an effort to get out.

We came into 1953 with only slightly more than a normal supply of feed grain in Government stocks. For years we were doing fine under a simple voluntary acreage allotment program. Then we started this foolishness of supporting corn which had been produced on farms out of compliance with their acreage allotments. Government stocks soared from 16 6 million tons in 1953 to 22.6 million tons in 1954, to 29.7 million tons in 1955, to 34.7 million in 1956, to 40.8 million in 1957 and to 49.2 million tons in 1958. Then came the act of 1958 which made it compulsory that unlimited production of corn and feed grain be handsomely supported. The country fairly turned to grain and the stocks, under this program recommended and demanded by Secretary Benson, soared to 67.4 million tons.

Mr. Chairman, it is my judgment that the best means of handling this situation is to return to the old program, enacted in 1938. It worked very well. With some refinements we can make it even more effective.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. ABERNETHY. Mr. Chairman, would the gentleman from Iowa yield me additional time?

Mr. HOEVEN. Mr. Chairman, I am sorry, but I can only give the gentleman 2 minutes.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes, if the gentleman will answer two or three questions.

Mr. ABERNETHY. I shall be happy to attempt to answer the gentleman's questions.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to my distinguished Chairman.

Mr. COOLEY. I want to ask the gentleman one or two simple questions.

On January 1, 1953, we only had invested in feed grains $617 million. On January 1, 1960, we had invested in feed grains $3,984 million, not taking into consideration the storage costs.

Mr. ABERNETHY. That is right.

Mr. COOLEY. What does the gentleman propose to do?

Mr. ABERNETHY. All right; I shall try to tell the gentleman what I propose.

Mr. COOLEY. If the gentleman will yield further, please tell me what you are going to do with it.

Mr. ABERNETHY. All right; I will tell the gentleman. We did get into trouble, as the gentleman said, by supporting feed grain during the 1950's when farmers were not in compliance on their acreage allotments. We encouraged them—every one of them—to get into the corn, sorghum grain and other production by supporting unlimited production. Such was not mandatory law then. In 1958 we brought to this floor of the House and passed a bill which was wrong, and which the gentleman knows was wrong. The gentleman was against the bill, but we were in a squeeze and we had to swallow it. Time does not permit a detail of the circumstances. We do know however that the squeeze play existed and we had to swallow the proposal.

Mr. COOLEY. If the gentleman will yield further, when the gentleman uses the expression "we," I was not responsible, and you were not responsible.

Mr. ABERNETHY. The gentleman is exactly right.

Mr. COOLEY. It came out of the Department of Agriculture.

Mr. ABERNETHY. That is right. I was just as much against it as the gentleman was. Indeed I was then, and I am against it now.

Mr. Chairman, we adopted the act in 1958 which provided that the Secretary of Agriculture must support every bushel of corn and grain that was grown in this country. It has doubled and trebled our surplus.

Mr. Chairman, permit me to complete my point and then I will yield to the gentleman from Virginia [Mr. JENNINGS], who is seeking recognition.

Mr. Chairman, we ought to do two things: If we are going to have price support programs for corn, we ought to go back and put it at a low enough level so as not to encourage surplus production. This should be tied to a program comparable to the old 1938 program providing for simple acreage allotments. Each farmer will be given an allotment in keeping with his history. If he complies he gets price support; if he does not he gets nothing. That worked well before. It should work well now. If they comply, they receive price supports.

If they do not comply, they will not and ought not get anything. That is what we ought to do. I am for it, and I will vote for it. But coming from where I do, down in the little hill cotton country, and a deficit producer of feed grain, I am not the person to sponsor a feed grain program for the commercial grain grower of Iowa, Illinois, and other highly commercial grain-growing areas. I am not the man to do it. Such would be most presumptuous of me. I will vote for it, and I think that is what the Congress ought to do.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, I agree with a great deal of what the gentleman has to say, especially about the 1958 feed grain bill which we will revert to if this bill which we are considering today is not passed.

Mr. ABERNETHY. We can repeal it.

Mr. JENNINGS. That is the decision that we have to make. If the gentleman will only recognize the decision today, we have one of two votes. We either vote for the proposed bill which will rectify the Benson program, and we go back. In effect, a vote against this bill is a vote for the program which the gentleman is condemning.

Mr. ABERNETHY. We can repeal it right now. I will support an amendment to repeal it, and that is what we ought to do. I cannot agree with the gentleman that a vote for this feed grain bill is a vote for the old 1958 act. We would not dare adjourn this Congress leaving it in full force and effect. Also, I think it would be an even worse mistake to invoke controls of feed grain on a livestock farmer who produces his own grain.

Mr. JENNINGS. If the gentleman will yield further, that amendment is not under consideration. It was not offered before the committee, and it is not the bill that we are considering today.

Mr. Chairman, there are many things that many people would like to support rather than the provisions in this bill, or rather than some of the provisions in the 1958 law. But that is not the question. We either vote today on one of two bills—either this bill or the 1958 bill.

Mr. ABERNETHY. I agree with the gentleman, but that does not prevent us from defeating this bill, which I think is bad, and then attend to our chores on the 1958 act. There is time. We will be around until frost falls.

Mr. Chairman, at the appropriate time I propose to offer an amendment which I think is sound. I propose to offer an amendment which will permit every cattle farmer in this country and every dairyman and every poultry man, if he has adequate land with which to do it, to raise the required quantities of grain that he needs to raise on his own farm to feed his own livestock, his chickens and his billy goats, if he has such. To deny a farmer the privilege of raising his own feed on his own farm for his own animals is fundamentally wrong. I will discuss the amendment further under the 5-minute rule.

Agriculture is by far the largest industry in our economy. There are a great many misconceptions about agriculture. Unfortunately, many people think that the average farmer goes around with hat-in-hand looking for some dole or Government subsidy. Let me assure my colleagues that this is not the case. Oftentimes we forget that a great part of agriculture is free from control. I recognize that the cost of the present feed grain program is excessive. I also recognize that costs could be decreased under the present law.

This is no time to become panicky about this situation. This is not the last chance for farm legislation. To my knowledge, there is not a so-called revolt against agriculture. We do have some permanent legislation on the books; and let me assure my city friends that your food supply will not be in jeopardy if no legislation is passed in 1962. My point is that we should be very careful that we do not worsen the situation as we proceed to consider this most important measure—not only to farmers but to taxpayers and to consumers as well.

I come from a great agricultural State. In 1960–61 the cash receipts from farm marketings were $657,832,000; $269,170,000 of this total came from livestock and livestock products. The cash farm receipts from livestock and livestock products in Mississippi, as well many of the Southern States, has increased at a very rapid rate during the last 10 years. This trend has been good for Mississippi. It has been good for the whole southeastern area. It means more diversified farming, less dependence on row crops, sound soil conservation practices—and, all in all, a more healthy agriculture.

I am opposed to any legislation that will stop this progress. I believe that title IV, particularly the feed grain provision, will have this effect.

Agriculture in the First Congressional District of Mississippi which I am honored to represent is the No. 1 industry. I was pleased to find that based on the latest census report that in my district the value of farm products sold in 1959—the latest year for which complete figures are available—was $78,157,720. There are some 31,700 farms in my district.

Even though cotton is still the leading agricultural commodity in the First District of Mississippi, corn, feed grains, and livestock are playing an increasing role. For example, based on the latest statistics, about 17½ percent of the farm sales came from milk and dairy products, and 24½ percent came from the sales of cattle, calves, hogs, and other meat animals. Poultry continues to play a leading role in improving farm income in my district; 10.7 percent of the farm sales were from poultry.

I take the time of my colleagues to point out these statistics in order to indicate to you my great concern over the feed grain section of this bill.

There are parts of this legislation that I can support; however, when I look at this bill on balance as it will affect a great percentage of the farmers throughout my area and throughout the United States, I believe the House will be wise in voting against this legislation, unless it can be drastically amended.

For many years the farmers in areas that were once one-crop areas have realized that they must diversify the operations in order to more adequately utilize the land and labor resources available to them. By so doing, many of the smaller farmers have been able to maintain well balanced, efficient farming operations. In moving from a row-crop type of agriculture the logical area of development was dairy and livestock production. Thus, we have seen in many areas of the Nation tremendous changes taking place in the type of agriculture. We have seen, for example, in the southeastern part of the United States red hills that were eroding away changed into deep green, where the soil is being held in place. We have seen net farm income rise on many of these efficient diversified farms.

In my opinion, the feed grain provisions of this legislation will stop the progress that has been made in this changing agriculture.

As our population has increased and our living standards improved, the demand for more milk and dairy products, beef, pork, and poultry has become greater. The production of feed grains is absolutely essential if farmers are to continue to supply to all areas of the country this very wholesome, high protein food.

There is one point that we must not overlook as we consider this matter—it is that feed grain is grown to be fed to livestock and poultry. It is different from wheat or other direct consumption food. The production of feed grain is a means to an end. I wish to repeat and emphasize that according to the latest figures available, it is estimated that about 85 percent of the feed grains produced are fed in the area in which they were produced. Further investigation of this point indicates that approximately three-fourths of the feed grain produced is fed on the farm on which it is produced.

Thus, when we deny a farmer the right to produce feed grains to feed his own livestock on his own farming operation, then we think you have taken away a basic right. If a farmer is producing cash grain, certainly he should reduce his production in time of surplus if he wants the Government to guarantee him a price. On the other hand, if a farmer is simply growing grain for his own home consumption, I think it is wrong to deny him the right to produce sufficient grain to feed his livestock.

I recognize the fact that in subtitle A of title IV there is a so-called deficit feed area provision and a so-called 25-acre exemption. These two provisions were put into the bill in order to try to convince certain Members of the Congress that their area would be exempt.

This is not so. The truth of the matter is that under both of these provisions, a farmer would be severely penalized if he exceeded his base acreage, that is, the acreage established for his farm based on the plantings in 1959 and 1960. Then also, the deficit area

provision is not mandatory. It is discretionary with the Secretary. We have no assurance it will be invoked. And it is very worthy of note that the term "deficit area" is not defined.

The penalty referred to would be severe. This, mind you, is applicable to a farmer who does not want price supports on feed grains, who is denied the right to vote in the referendum, but who will be subject to the cross-compliance provisions of the feed grain section, and could be denied price supports on his cotton, tobacco, peanuts, or rice if he should come under the penalty provision of the feed grain section. In other words, this simply means when all the gloss is removed that farmers in those sections of the country that are continuing to diversify and expand their livestock production will be stopped cold by the intervention of the Federal Government.

In all sincerity, before you vote for a bill that would embark on a program of controlled production of feed grain—a program which four previous Democratic Secretaries of Agriculture never once invoked—I urge you to weigh and consider the result most carefully. In my considered judgment, and with all deference to those who differ, such a vote would be a serious mistake.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, at the outset, if there is any question in anybody's mind as to my position on this bill I am totally, completely, and unalterably opposed to it. I do not think that comes as a surprise to many of my associates on the Committee on Agriculture because I am opposed to the basic theory that is deeply embedded and ingrained in this bill. If the Secretary of Agriculture chooses to call this theory supply-management, that is up to him. I choose to call it planned economy for agriculture, as that is exactly what it is. I want to record to reveal here and now that I oppose a planned economy for any segment of America, be it agriculture, labor, industry, business, or what have you. I shall oppose it wherever and whenever it raises its ugly head. It has raised its ugly head in this bill, and I am unalterably opposed to it.

Mr. Chairman, we have had a lot of discussion here during the last day and a half about the family-type farmer and what this bill proposes to do for him—perhaps I should say to do to him. I have read this bill, H.R. 11222, several times. I have studied it in and out of committee and I fail to find the family-type farmer even mentioned. What has happened to him? We, in Ohio, represent family-type farmers. I have consistently upheld the rights of these small family-type farmers in the Committee on Agriculture and in this House. Now I find the majority does not even refer to him in this piece of legislation. I am for maintaining the family-type farmer in American agriculture. This bill will demolish him.

I agree completely with our honorable chairman in this, that this does give the family-type farmer a floor. It would knock him to the floor for the 10 count if it is passed. And I might predict that it will not pass in its present form as I know the Members of this House will not approve this type legislation.

Let me say, when we are talking about a planned economy, that Mr. Freeman and Mr. Cochrane have come up with another novel idea. They call it a franchise for farmers. I have here in my hand a release out of the Daily Sentinel Tribune of my hometown of Bowling Green of Wednesday, June 6, 1962, which I shall insert in the RECORD. The headline says: "Freeman Says Farmer May Get Franchise To Operate in the Future."

FREEMAN SAYS FARMERS MAY NEED FRANCHISE TO OPERATE IN FUTURE

Secretary of Agriculture Orville L. Freeman, briefing farm magazine editors on the administration's farm plans recently, indicated that under the proposed program of mandatory controls and production quotas, farmers would need a "franchise" to farm.

One of the editors, Wayne E. Swegle, managing editor of Successful Farming magazine, reports on the results of the briefing session in the June issue of Successful Farming.

Secretary Freeman first emphasized that "we've got to face certain facts," among them a $9 billion inventory of commodities that "costs us $1 billion a year to handle."

Further, he said, "I don't think that the taxpayers are going to let us go on with support prices at anything approximating a reasonable level and keep on piling up food and fiber that at this time we can't use effectively."

"I don't think there's any alternative except that between price supports and supply management," Mr. Freeman said, "or no price supports and unlimited production."

Among the controversial controls on farmers proposed under the administration's approach to supply management is the dairy "quota" proposal. With the quotas fixed, no new producer could enter the market unless he got a quota from someone else.

"We would seek to avoid the concentration of [quotas] in a few hands," Mr. Freeman said.

In spite of the resulting higher capitalization of the land involved and unchanged net income to the farmer, Mr. Freeman said he saw no alternative policy.

The secretary's economic adviser, Willard Cochrane, told the farm editors that the program would "get returns up initially, and then future producers would be buying assets in which they can produce and sell in a stable market."

Mr. Cochrane likened the situation to the franchise of an automobile dealership in a small town. "The value of that franchise gets capitalized into the business," he said. "The next man who buys the business has to pay for the profitability of the past. And, hence, the windfall of higher prices gets capitalized into farming, and in a [car dealership]."

"There will be a great deal of certainty introduced in agriculture that's not there now," Mr. Cochrane said.

Secretary Freeman then was asked if he was, "in essence, giving a franchise to the farmer to operate?"

"In a sense, I suppose that's true," he said.

This shows how far they have gone down the road toward complete regimentation of agriculture. Let me say that I am not going to vote for any bill which provides a franchise for the American farmer to operate his own farm, a farm that his own sweat and blood has earned for him. I am against that type legislation. I do not think we as Members of Congress should see it pass.

All that this bill provides from cover to cover is control—control—control, for the American farmer; and power—power—power, for the bureaucrats in Washington. No one can deny that.

Let us look at the matter of price supports. In this bill we do not even say what the price supports shall be. We say the Secretary of Agriculture, as far as wheat is concerned, has the discretion, has the power, to set that price support between 75 and 90 percent of parity. As far as feed grains are concerned, we say he has the power, the discretion, to set it between 65 and 90 percent of parity.

This afternoon and probably during the next day of debate on this bill we will have Benson's ghost dragged through this chamber a good many times, but I say to the Members of the House that Ezra Taft Benson never asked for that kind of power.

Let me discuss another part of this bill while we are talking about Benson. He always proposed to give the American farmer some sort of choice. In this bill Mr. Freeman and his friends down in the Department of Agriculture ask to take away all price supports for agriculture if the farmers do not vote for his program. Ezra Taft Benson never proposed to take all price supports away from the farmer.

Let me say now, as I take up certain sections of this bill, that I cannot help but recall the last presidential campaign and the promises that were made to agriculture. During this campaign we heard a lot about parity of income for the American farmer. Can anyone on the majority side truthfully look the American farmer in the eye and say this bill will give him parity of income? Where is this 100 percent of parity we used to hear so much talk about? The proponents are not asking for 100 percent of parity in this bill. As I pointed out, they are asking 75 to 90 percent for wheat and 65 to 90 percent of parity for feed grains. These are facts you cannot dispute.

We have heard a lot of talk about the elections provided for in this bill. Let us just turn over to the farmer the right to decide for himself what kind of program he wants," so the proponents say. Two-thirds of the farmers voting, and I emphasize the word "voting," shall make that decision.

Let us examine that two-thirds just a little bit. Who is going to be voting? I say this proposed election is a sham; it is deception. Let us look at those doing the voting in this bill. Seventy-three percent of the total of 1,825,222 farmers producing wheat in 1960 had less than 15 acres. Under this bill, if they take advantage of the small-farm exemption provided for them, they shall be ruled ineligible to vote. Now, who are we talking about? Two-thirds of what? Two-thirds of what is left, approximately 28 percent of the wheat producers.

In Ohio, of our 154,000 wheat producers, how many actually voted in the last referendum? Approximately 3,000. Is that the type election we are talking about? Yes; that is the type election we are talking about. I am opposed to such elections.

Let us turn to feed grains for a moment; 1,183,310 of the 2,239,850—more than half, if you please—of these feed-grain producers have less than 25 acres. If they took advantage of the exemption provided for them in this bill, they would be ineligible to vote.

Now let us turn to this deficit-area gimmick that is in the bill. We heard yesterday from the ranking Republican Member, the gentleman from Iowa [Mr. HOEVEN], that some 37 States could be ruled to be deficit areas under the provisions plainly outlined on page 40 of the bill. Those 37 States would not have a vote in feed-grain referendums. Let me read this language to you. It appears on lines 16, 17, and 18.

It reads as follows:

> The producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

So we automatically take 37 States out of this so-called referendum to start with. Yes, and they have another club constantly hanging over the heads of the farmers if they do not vote right either in the wheat or the feed grain referendums. Mr. Freeman would be eligible to dump 10 million tons of feed grains on the market in any one year and 200 million bushels of wheat on the market in any one year to keep the prices down. Mr. Freeman calls this protection. We know what Mr. Freeman did to the corn prices with less dumping protection for the corn farmers last year than he is requesting in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LATTA. I would have liked to have had more time but, apparently, we do not have it. But the small farmer in this bill certainly gets it on the chin. Talking about voting, he must sign in writing before he is eligible to vote, even if he elects not to take advantage of this small farm deception that is outlined in the bill. The large producer need not do that. So the proponents of this bill want to shut him out when he comes in on election day. They will say, "Oh, no, Mr. Farmer, you did not sign in writing beforehand so you cannot vote." That is more small farmer deception. Incidentally, when we talk about 15 acres in exemption for these wheat producers that is deception on its face because you cannot possibly have a 15-acre exemption. It is mathematically impossible as last year the majority cut the 15-acre exemption down to 13.5. I mean, you take the average of the last 5 years and you cannot possibly get 15 acres.

It is also unfair to these small wheat producers in that it does not give any consideration to those farmers who have been rotating their crops during the last 5 years and for this reason, perhaps did not sow wheat in every one of these years. The result is, their average is less and their exemption is less. This should not be.

One of the most inhuman provisions in this bill is that it discriminates pricewise between the large and the small, family-type farmers producing wheat. The small wheat producers electing to take advantage of the so-called small farm exemptions given them in the bill will be denied certificates worth 60 cents per bushel. This means that they will get approximately $1.40 per bushel for their wheat while the one bending to Mr. Freeman's wishes will get $2 per bushel as he will be given the 60 cents certificates. This is unfair, Mr. Chairman. Yes, Mr. Chairman, this is un-American as we are not supposed to discriminate in any field in America.

I hope the Members will use their good judgment and defeat this bill. The Committee on Agriculture can then return to its committeeroom and draft a bill which can be supported.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ASHBROOK. Mr. Chairman, I rise in total opposition to this proposal which, in my opinion, has properly been labeled as a "monstrosity" and "one of the worst pieces of legislation to ever originate in the House of Representatives." If there is anything of which I am sure, it is that the great majority of farmers in the 17th Ohio Congressional District are very concerned about this bill and opposed to its enactment.

This administration is committed to the principle of increased centralization of power here in Washington and fostering the "dependency" theory. By it, everyone looks to the Federal Government for their answer to their problems whether simple or complex. We see it in other areas but in none so pronounced as in the field of agriculture. The truth of the matter, I am certain, is that the great majority of farmers are looking not to Government for the answer but, quite the opposite, rather are hopeful that the Government will not compound their problems and, indeed, not be the major cause of their grief.

To the credit of the House Committee on Agriculture and to the majority party I must state that the bill we are considering today is not nearly as extreme as the one proposed last year by Secretary of Agriculture Freeman. Yet, it is far too radical to be seriously considered as any meaningful compromise.

H.R. 11222 is not merely one more agricultural proposal which will effect some minor changes. It is a completely new—and unfortunate—concept which, if enacted, would regiment and control the production and distribution of food in America. It is punitive. I agree wholeheartedly with Farm Bureau President Charles Shuman who stated in a recent letter:

> The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture—in a downhill direction.

I agree that it would do all of this and a lot more. This morning I received a telegram from Cliff Baker, legislative agent of the Ohio State Grange, in which he stated:

> Ohio Grangers object strenuously to mandatory features in H.R. 11222 [the administration farm bill] especially feed grains and dairy control sections. We respectfully urge you to oppose this bill in its present form.

These two responsible farm organizations are against this bill. Who is for it? Certainly not the consumer and the taxpayer. Those favoring this approach tend to be found in two groups—bureaucrats who will get the life-or-death power over the farmer and those who are already committed to socializing our country and destroying anything approaching a free market. The American farmer has never come to the Congress looking for a handout. The present farm mess is not of his doing but rather the result of Government interference in the affairs of the agricultural community. The sooner we move away from a system of rigging markets, controls, allotments, and punitive action, the better off the farmer and the whole country will be.

The feed grain section of the bill is probably the worst as it is especially vindictive against the midwestern farmer. Farmers in Ohio will find it difficult to understand why the Freeman forces would seriously propose a measure which would punish them for raising feed grain crops on their own farm to be fed to their own livestock and never go on the market. Marketing quotas have not yet been applied to any feed grain.

Feed grains are basically different from cotton, tobacco, and other commodities which must go to market to be processed. Feed grains can remain and be used on the farm where they are produced. Legislation authorizing marketing quotas for corn was on the books from 1938 to 1954 but never put into effect. The reason was the simple one that farmers did not want this type of control. In 1956, 61.2 percent of the corn producers voting in a referendum cast their ballot for a program which contemplated a gradual reduction in price support levels. In 1958, 71.2 percent voted for a proposal to reduce price supports and eliminate acreage allotments.

Everything points to the fact that farmers do not want these controls. This is probably why the administration puts a blackjack at their heads and threatens them with dire consequences. Under the provisions of H.R. 11222, the Secretary of Agriculture would be given the power to deny producers any type of price support and dump up to 10 million tons of feed grains on the domestic market if producers vote against quotas. This is a take-it-or-leave-it approach which gives the farmer no meaningful choice.

The bill is full of gimmicks. In title I, the "pitch and putt golf course" section of the bill, the Government would be enabled to compete with nonsubsidized recreational enterprises through a so-called land use promotion. In title II, the original concept of Public Law 480 would be changed into a worldwide welfare program.

I am in accord with my colleagues on this side of the aisle who have given strong arguments against this bill. These arguments are not based on partisan bickering but rather on the fundamental principle of preserving the freedom of those who are tilling the soil. The farmer deserves something better than a system of payments, permits, and peasantry—about all that he would get from H.R. 11222.

As our policy committee so aptly put it, the basic objection to H.R. 11222 lies in its high costs—not only the increased costs to consumers in the form of higher food prices brought about by bread taxes, Federal control of marketing and promotion of an inefficient agriculture—not only the increased tax revenues which will be needed to finance broad new ventures into public recreation and land use as well as in reestablishing the same artificial price-fixing schemes which have been proven costly failures in past—but the real cost of H.R. 11222 lies in the slaughter of the freedom, opportunity and initiative of the American farmer. The basic objection to this bill is simply to the exercise of compulsion and control by the Federal Government to destroy the rights of farmers to use and enjoy their farms under a free enterprise system which has made America the best fed, best clothed nation in the history of mankind.

Here are some of our major objections to each of the five titles of H.R. 11222:

TITLE I: LAND USE

First. An expensive and unlimited Government-sponsored recreation activity could well injure the privately owned and operated recreation industry.

Second. The civil rights of American citizens using recreational facilities could be impaired by allowing Federal funds to be expended for racially segregated facilities.

Third. Nongovernmental bodies could share in the Federal recreation bounty.

TITLE II: AMENDMENTS TO PUBLIC LAW 480

First. The commitment to a worldwide school lunch program further changes the basic character of Public Law 480 from surplus disposal to world welfare.

TITLE III: MARKETING ORDERS

First. Potato farmers were never given an opportunity to present their views on the provision excluding potatoes for dehydrating from the coverage of marketing orders.

TITLE IV: FEED GRAINS, WHEAT, DAIRY
SUBTITLE A: FEED GRAINS

First. This bill would reimpose unworkable acreage allotments and marketing quotas on corn, oats, rye, barley, and grain sorghum. These feed grain controls would be ineffective since 80 to 85 percent of feed grains are fed to animals on the farm. Harsh civil penalties would result from violations of feed grain quotas even though a farmer fed his own grain to his own animals on his own farm.

Second. Income of feed grain farmers would drop, since diversion payments would be reduced to zero by 1966 with an increase in price support.

Third. Feed-grain farmers would be faced with an impossible referendum choice between the restrictive administration program and Government dumping of some one-third billion bushels of feed grains on the market. This "blackjack" provision makes a complete mockery of the referendum process. If farmers failed to "vote right," farm income would be devastated.

Fourth. Many thousands of feed-grain farmers—most of them smaller growers or farmers in deficit areas—would not be able to even vote in the referendum. This discrimination against small growers is another intolerable gimmick in an effort to "rig" the outcome of the referendum, and is not comparable to a referendum under any other commodity program.

Fifth. A politically motivated committee amendment would excuse feed-grain farmers in so-called deficit areas from cutting their production. This attempt at regional favortism and political maneuvering represents pure partisan opportunism for the Southern pork barrel experts.

Sixth. However, the feed-deficit-area growers would not be exempt from the program and would be subject to marketing quota penalties without being eligible to vote or being eligible for price support or diversion of payments. They would be at the whim of arbitrary rulings by the Secretary of Agriculture as to what constitutes hardship, unduly increase prices, feed-deficit areas. These terms are nebulous and are subject to whatever interpretation the Secretary chooses to make.

SUBTITLE B: WHEAT

First. The wheat farmer will receive a reduction of income under H.R. 11222. His diversion payment will slide down from 50 percent in 1963 to zero by 1966. The producers on about 10,000 farms in the West where weather presents a huge risk are currently able to store excess wheat from a previous year to be applied to a future year's crop. They will no longer be able to have this measure of protection against the elements.

Second. Each step of wheat production, processing, and export would be tightly policed. Farmers, processors, taxpayers, and consumers would all be required to bear the burden of this bread tax program.

Third. This bill is the most harsh and vindictive measure ever aimed at the small wheat farmer, who is discriminated against in voting and in marketing. The so-called small farm exemption is really a small farm deception.

Fourth. Marketing certificates are denied to those small farmers electing to use the so-called small farm exemption provided for under the bill, meaning that small growers could not even plant up to the farm wheat base without losing the right to receive certificates and the right to sell wheat for food and for export.

SUBTITLE C: DAIRY

First. While this legislation earmarks wheat and feed grain farmers for new and stringent controls, livestock producers and other farmers now free of controls should recognize that they are next in line. For example, dairy farmers are offered a lucrative payment plan while the administrative machinery is being established for next year's imminent dairy control plan.

TITLE V: MISCELLANEOUS

First. The Farmers Home Administration which already has a much greater demand for farm loans than it can handle would now go into the recreation loan business—with pitch and putt courses according to Secretary Freeman.

Second. The Farmers Home Administration would also go into the municipal sewer business by duplicating the loan activity of other Government agencies.

It is obviously impossible to make a good and workable piece of legislation out of H.R. 11222. A totally new concept is needed—a proposal which will move in the direction of more freedom rather than more control. As a start, we need to continue the conservation reserve program which will expire. Contracts should be extended beyond their termination dates for 3 to 10 years, thus preventing 28.5 million acres which are now retired from coming back into crop production. The Government has built up huge surpluses through unworkable programs in the past and it cannot be now contended that we drop everything and let the farmer find his own way. Rather, it is important that we phase out the restrictive provisions of the current law through a cropland adjustment program. The conservation reserve will help do this, coupled with a voluntary program of limited, short-duration nature.

In stressing my opposition to this bill, I want to make one point clear. I do not do this from a provincial or narrow point of view based merely on the likes and dislikes of my district's farmers. The reasons go much deeper. It would be bad for the country if this legislative monstrosity passes. As one of my colleagues of the opposite party, the gentleman from Rhode Island [Mr. FOGARTY], stated yesterday, this would be bad for urban areas since the wheat proposals would constitute a virtual "bread tax" to be paid by consumers. Based on the Ohio point of view, it is well to add that the basic inconsistency is well demonstrated, however, by looking at the past programs from our own interest. Our Soft Red Winter wheat has never been in surplus and yet it is treated in the same manner as the variety which is in great surplus. This is unfair to the farmers and to the consumers.

We are at the crossroads. Pass this bill and we will, in my judgment, steer a course toward not only a regimented, socialized agriculture but that type of economy. Defeat this bill and we may yet be able to tip the scales toward freedom.

(Mr. PIRNIE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PIRNIE. Mr. Chairman, I must oppose H.R. 11222.

The enactment of this bill is assuredly not in the best interests of farmers, consumers or taxpayers.

Essentially, this legislation would extend to feed grains and wheat a more rigid version of the existing costly and cumbersome controls that have contributed to the present farm problem. It is based upon the discredited philosophy that further regimentation from Washington will result in a solution. History proves otherwise. Only last session, the administration told us that their emergency feed grain bill was needed to save the taxpayers $500 million. However, after a year's operation that legislation has actually added over $1 billion to the cost of the farm program.

It is more apparent than ever before that we need a new direction in agriculture, which H.R. 11222 fails to provide. Overlooked is the alternative of increased land retirement coupled with more flexible price supports which would allow greater freedom for market forces to bring supply in line with demand.

Of special concern to me are the dairy provisions of the bill which constitute another variation on the oft repeated theme that Government should pay a man for not producing a useful product. Furthermore, proponents of such incentive payments for milk have admitted that this plan is but a prelude to a subsequent compulsory program of production controls for the entire dairy industry. Thus, another important segment of agriculture would be brought behind the "iron curtain" of control from Washington.

The recent revelations of sordid scandals involving manipulation of cotton allotments and grain storage payment should be clear enough warning of the dangers of granting a few Federal bureaucrats the power to control the right to make money. In essence, this power constitutes a fundamental precept of socialism; in fact it is economic dictatorship. The legislation before us represents but another step down the road toward a police state. I urge its decisive rejection.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HARDING].

(Mr. HARDING asked and was given permission to revise and extend his remarks.)

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

The gentleman from Idaho [Mr. HARDING] is recognized.

Mr. HARDING. Mr. Chairman, the problem that faces the House of Representatives today is a serious problem and the vote we will be called upon to cast is not an easy vote. When I first came to the Congress, coming from a district that is largely dependent upon agriculture, I labored diligently for an assignment to the Committee on Agriculture. Now when I look at the magnitude of the farm problem, sometimes I think I was stricken with a case of temporary insanity to want to ask for assignment to this committee. This hard-working committee is faced with a most difficult problem. It is this problem that we are attempting to solve here today.

I would like to say that your committee started out this year by hearing the Secretary of Agriculture testify on the farm bill. He was followed by the leaders of all of the major farm organizations in America—the Farm Bureau, the Farmers Union, the National Grange and other farm organizations. We later allowed individual farmers to come in from all over America to testify as to how they thought we could best solve the farm problem. The committee then began to write up the bill and to meet in executive session. We considered the contributions and suggestions of all the members of the committee. The bill we have before the House of Representatives today is the final product of all the hearings and debate that was considered by your committee.

I think the magnitude of the problem we face is best illustrated by the fact that in 1952 we had 250 million bushels of wheat in surplus at an estimated value of some $450 million. Today we have 1,380 million bushels of wheat in surplus at an estimated value of $2,500 million. And this notwithstanding the fact that we have given away to foreign countries under the food-for-peace program approximately $2 billion worth of wheat. Unless we take action this surplus is going to continue to mount.

Last year the gentleman from Iowa, the beloved minority leader of the House Committee on Agriculture [Mr. HOEVEN], invited a group of us to attend a Sioux City steak dinner. And I want to say that this annual dinner is one of the pleasant experiences that we enjoy as members of this committee. I will never forget what the president of the Chamber of Commerce of Sioux City said. He said:

> We want you to know that we do not expect a Santa Claus in Washington. We do not want our Uncle Sam to be a sugar daddy.

I want to tell you that if we do not adopt legislation of this kind we are expecting Uncle Sam to be a sugar daddy. We cannot continue to allow the farmers of America to have the right of unlimited production and at the same time have the taxpayers of America fork up and pay them for this unlimited production at the same we are paying over $1 billion annually to maintain surpluses valued at over $9 billion. It is not fair to the taxpayers, it is not fair to the consumers, and it is not even fair to the farmers themselves.

I feel that the bill we have before us today is a necessary step toward the solution of this problem. As I said at the commencement of my remarks, this is not an easy decision to make, it is a tough vote to cast. I feel it is only fair to state that there has been every bit as much lobbying against this bill as there has been for it. Farm legislation seems to provoke a great deal of controversy. Unquestionably there has been a good deal of emotion in opposing the feed-grain section of this bill. Bear in mind the fact that in the year 1952 there were 27 million tons of feed grain in surplus costing $600 million. Today we have 67 million tons of feed grain in surplus costing about $3 billion. Something has got to be done, and I sincerely believe that Orville Freeman is attempting to do the right thing. He has suggested to the Congress a solution that he thinks is workable, and that a majority of the Committee on Agriculture think is workable. When we consider the $9 billion of agricultural surpluses that we are currently paying over $1 billion annually to store and maintain, it is evident that we must act.

The bill before us is the most reasonable plan of action on which your Committee on Agriculture could agree. I urge those Members who want to solve this problem to join us in passing this bill.

(Mr. HAGEN of California asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. HAGEN of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN (Mr. PRICE). The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 121]

Addonizio	Fogarty	Merrow
Alford	Frelinghuysen	Moulder
Anderson, Ill.	Garland	Powell
Anfuso	Glenn	Riley
Auchincloss	Granahan	Saund
Bailey	Gray	Scranton
Bennett, Mich.	Halpern	Shelley
Boykin	Harrison, Va.	Smith, Va.
Brademas	Hoffman, Mich.	Spence
Celler	Horan	Stubblefield
Chiperfield	Jarman	Tupper
Curtis, Mass.	Kearns	Van Zandt
Davis, Tenn.	Kilburn	Whitten
Diggs	Loser	Yates
Flood	Martin, Mass.	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11222, and finding itself without a quorum, he had directed the roll to be called, when 390 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, with the exception of some officials in the U.S. Department of Agriculture and others who have an interest in grain storage facilities, this bill we are considering today is not really wanted by anyone.

The potential consequences are of such a serious nature that on June 6 many members of the Pennsylvania Farmer's Association—of which I am a member—

sacrificed a workday on the farm to alert friends and neighbors to the inherent dangers, should this bill become law. Of 300 nonmembers contacted, 260 paid $15 dues each to help fight this farm control legislation. Of the 1,600 members contacted, practically all said they would contact their Congressman explaining how this proposal would affect their own operation. The letters I have received indicate a large percentage in my congressional district kept their promise.

The following is one typical comment:

I raised an average of 30 acres of feed grains in 1959–60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price suports would make my grain costs higher; price supports are of no value to me because I feed all my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production.

Another comment—

I raised 12 acres of feed grain in 1959–60—I could not raise any more because my base is 12 acres under this legislation; the 25-acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals.

H.R. 11222 is not just another farm bill. It is not temporary legislation but a punitive measure designed to regiment and control the production and distribution of a great deal of our food.

Under it permits to grow farm products would be approximately doubled. Quota program acreage would be tripled. Claims to the contrary notwithstanding, farm program costs would remain excessively high. No farmer, regardless of size, would be permitted to exceed his feed grain acreage above his 1959–60 average.

Unfortunately, the entire truth is not being told in connection with this bill. Proponents say one is exempt if he grows 25 acres or less of corn. This is not correct. The bill states:

No marketing quota shall be applicable to any farm with a base acreage of 25 acres or less if the acreage does not exceed the farm base acreage. (P. 25.)

It states further:

Principle grains used for livestock feed are corn, barley, grain sorghums and oats.

The marketing program provides for a single quota applicable to all feed grains. It also says:

Acreage of wheat for farm use shall be considered as an acreage of feed grains in determining average acreage of feed grains. (P. 24.) [The] farm base shall be average of feed grain acreage for the years 1959–60. (P. 23.)

Here is a typical example:

(a) In 1959–60 a farmer grew an average of—

	Acres
Oats for feed	5
Barley for feed	5
Grain corn for feed	5
Corn for silage (not exempt in bill)	5
Total feed grain acres	20

This farmer's base is 20 acres; not 25 acres. The 25-acre small farm exemption does not apply because his base is less than 25 acres. He would, thus, have one of two choices:

First. Because his base is less than 25 acres, he may stay out of the program, but he cannot grow more than 20 acres.

Second. He may choose to enter the program and accept a 20-percent acreage cut in return for price supports. Of course, this farmer feeds this grain and therefore he would not have enough production from 16 acres—20 percent cut—to feed his present livestock.

If farmer desires to increase his feed grain acreage above his base, he would be prohibited. For example, if the above farmer put on 10 more cows he would not be able to increase his base acreage to feed his cows. The only way this farmer could obtain grain to feed his cows would be to buy it and most likely at prices higher than he could raise the grain.

This bill, with all of the proponent's sugar coating removed, denies farmers who produce less than 25 acres of feed grains, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

An example:

Average acres farmer grew in 1959–60 [1]	
Corn for feed	20
Wheat for feed	5
Oats for feed	12
Barley for feed	5
Rye for feed	1
Corn for silage	15
Total feed grain	58

[1] Figures from 200 Pennsylvania farms.

Farmer's base is 58 acres.

Farmer's choice: Because his base is greater than 25 acres he has no choice. He would have to be in the program and would come under marketing quotas with a cut in acreage.

This farmer, as do most Pennsylvania farmers, uses most of his home-produced grain to feed to his own animals. This farmer, because of quotas, would be forced to reduce his feed grain production, and in turn, the size of his farm operation. This leads to farm inefficiencies and to higher food prices.

The wheat section would establish a complicated, multiple-price system which would prove to be an administrative monstrosity. This program would cost the Government more than $1 billion per year on wheat exports alone. It would also raise food costs to the bread-consuming public.

The dairy section would be a first-class boondoggle. From the farmers' point of view, however, the worst feature of this section is that it would constitute an opening wedge for a compulsory supply-management program on milk.

The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture in a downhill direction.

Pennsylvania farmers have never favored price supports on feed grains. Our grain is pretty largely fed to our own animals. As a grain buying rather than selling State, we do not want to pay higher prices which price supports could inevitably bring.

I represent both farmers and consumers. As a farmer with 40 years' experience, I am unalterably opposed to more Government in farming. Since its inception, the farm program has been a colossal "flop." This proposal will magnify the "flop" and place farmers in a tighter straitjacket. Knowing the independence of farmers as I do, they want nothing as much as to be let alone. I have sufficient confidence in them to think they can operate their own business far better than a swivel chair operator in Washington.

As a consumer I object because this bill will automatically raise the price of foods. Under H.R. 11222, wheat support price could be raised from the present $2 per bushel to $2.20 or higher. That can mean but one thing—higher bread prices. Corn could be raised from $1.20 to $1.44 per bushel. This in turn would raise the price of Pennsylvania Dutch "Johnny Cakes." Oat and barley support prices could also be raised. It is academic to say feed grains are the limiting factor in producing beef, pork, lamb, and poultry. Pass this bill and you automatically raise the price of meat and eggs because of increased grain prices.

During debate on the feed-grain bill of 1960 we were told in no uncertain terms how it would reduce surpluses and reduce them it did, but at what cost? Three dollars per bushel is a conservative estimate.

Since the beginning of time farmers have been independent thinkers. The great majority of farmers I represent want nothing as much as independence. In 1858 Stephen A. Douglas said:

Leave the people free to do as they please.

In 1787 Alexander Hamilton said:

The States can never lose their powers until the whole people of the United States are robbed of their liberties.

This bill, if enacted into law, will definitely and unalterably rob one very large and important segment of our population of its liberties which will not be regained in our time.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, I rise in opposition to this legislation as it has been presented to us and ask unanimous consent to revise and extend my remarks. I am opposed to these coercive and restrictive measures because they are certainly not in the best interests of our people; they will hurt, rather than help, our farmers; they will restrict and reduce freedom, rather than strengthen and support it. In short, these proposals are completely opposite to the traditional American concepts of individual liberty and enterprise. May

I add, that no party leadership has twisted my arm or pressured me into opposing this bill.

This legislation would make the Secretary of Agriculture an absolute czar over the large part of American farming. It would set us on a course of farming by Government license in this country. Every farmer would be required to obtain a franchise to run his own farm. The Department of Agriculture would be empowered to order reductions in the amount of land that each farmer could plant in wheat, corn, oats, and other grains; it would be empowered to do away with any exceptions which permit farmers to grow strictly for their own use, and it would be able to bar others from raising these crops in the future. Government allotments to grow grain in the future would have to be received or purchased with the land.

Under the terms of this bill, if farmers refused to approve the terms of the referendum offered, the administration would hold the authority to sell the surplus stocks on the open market anyway, and thereby depress the prices that farmers could expect to realize from their crops. In other words, the choice offered would be to accept Government production controls, or to have income severely slashed by falling prices. This set of choices—if that is the right word—has prompted farm spokesmen to declare that any such referendum would be as meaningless as a Russian election.

The original administration proposals for dairy farming were just as severe, including prison sentences for failure to keep proper books and records. These proposals have been watered down by the committee, but, nevertheless, the framework for a control system is still there. Now, the bill provides only that the Federal Government pay dairy farmers to reduce their production of dairy products in addition to continuing price supports for the amounts that are produced. But, there would be nothing to prevent the farmer who agrees to reduce production from selling his cows to another farmer who wishes to expand. The result would be Federal payments to some farmers for reducing production and increased support payments to those who increased their output. Even the casual observer will recognize the cynicism of this program; for its result would be higher government costs and greater production. The next step would surely be a clamoring from the administration's farm experts for mandatory production controls to deal with problems created by their own program. This very clearly is their real objective, which would only be postponed by the present legislation.

It is interesting to take note that both this country and the Soviet Union have farm problems today, but the important thing is that the problems are exactly the opposite. Our chief problems stem from production of more agricultural products than we can use; yet these problems are minor compared to the Communists' troubles resulting from their inability to produce enough to feed their people. Under the Communists, there is complete planning, supervision and control of agriculture by the government. By comparison, our farms are operated with great individual freedom. But, what are we having proposed to us today by the administration? We are being urged to approve greater government controls over agriculture in our country and reduce the freedom of American farmers. It certainly seems to me to be the wrong way to move ahead.

I have received a great outpouring of expression from the people of my area in western New York concerning this legislation, and all these people, are farmers overwhelmingly opposed to this kind of solution for our farm problems. Their letters reflect a clear and realistic understanding of the difficult problems and alternatives. One wrote:

> The threat of Government control in farming scares us to the marrow. If it comes to pass, it will destroy initiative and pride in our economy.

Another said:

> We need to go forward as J.F.K. says, but with some consideration for individual rights instead of complete control by the Government.

A third farmer wrote me:

> Most farmers farm because they like it. They want to make their own decisions as to how many acres of grain to grow or how many cows they should milk to support their family. They would rather be able to feed and clothe their family on their income, than from the lower income plus a Government subsidy. If the Government program is put into effect, we can expect even more Billie Sol Estes cases.

And a fourth couple said:

> We feel so strongly that the farmers can do a good job if the Government will not try and control everything the farmers are trying to do.

Through all these letters runs an overwhelming agreement on one central point—our farm people want the choices and decisions for their own enterprises to remain in their own hands, not in a centralized all-powerful Government authority.

The American Farm Bureau Federation, our largest agricultural organization, strongly condemns this measure. A poll conducted by the Farm Journal revealed only 4 percent of farmers in favor of the compulsory quota system put forth in this legislation. Ten times that many favored voluntary programs, and more than half of the thousands who responded to this poll wanted the Government to withdraw completely from these farm crop subsidy programs. Let me say that a similar poll which I conducted in the 39th Congressional District of New York revealed 82.8 percent of our citizens opposed to the compulsory marketing quotas on dairy farms.

We have all been disturbed by the revelations of recent weeks concerning the manner in which Billie Sol Estes has been able to manipulate the Government's farm control programs. This legislation would expand tremendously the temptations and opportunities for more schemes of this type to the detriment of all the American taxpayers.

Mr. Chairman, we have heard many times this year that this legislation is a turning point for American agriculture. It certainly is that, because the freedom of this large segment of the American economy is at stake in this legislation. I call upon my colleagues to reject the unsound and unwise solutions included in this legislation. Let us instead turn to a sensible program which will return the control of American agriculture to the farms and marketplaces where it belongs. I intend to vote against this proposal and sincerely hope that it will not prevail. This, I believe, would be for the best interests of our American economy, principles, and objectives.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, I doubt if there is any American schoolchild who at one time or another was not given as a subject for student debate or for a classroom essay "Does the End Justify the Means?"

Here in Congress that same issue is included in the debate on provisions of the Kennedy-Freeman farm bill. Does the objective of reducing production of surplus crops justify giving power to the Department of Agriculture to compel participation by farmers in Government-managed control programs? Does this end justify forcing farmers to decide by referendum between two choices; between compulsory Government controls or, as an alternative, be confronted with possibly ruinous prices, which the Secretary of Agriculture, not the free market, would be empowered to set as a punitive blackjack? Does this end justify giving authority to a Government bureaucrat so that if farmers voted down the Government's program, the Government could deny supports to those who do not wish to accept restrictions and proffer supports to those who accede? Such power which would be given to the Secretary of Agriculture is something that one might expect in the U.S.S.R. but not in the United States of America.

Does the objective of reducing surplus crops justify giving a Secretary—Democrat or Republican—so much power, including the authority to punish or dispense favors, power to decide who profits and who does not, and how much?

As the Farm Journal remarked editorially about this legislation, when people have to seek favors in order to prosper or even survive, all manner of skullduggery is absolutely inevitable. Then it asked the question as to whether we want to go further down that road. Mr. Chairman, I do not.

As it is we have had a Secretary putting Billie Sol Estes on the Cotton Advisory Committee after his Department had fined Estes for illegal acts.

As it is we have had a Department of the Government leaving the Estes warehouse bond at a mere fraction of his storage responsibility.

As it is we have had a Department of the Government failing to act on its own investigation until the scandal received publicity.

The Congress should establish a system to remove favoritism—not to open the door wider for it.

Here we have 100,000 Federal employees mostly engaged in handing out $7 billion of tax money and most of which is for not growing farm commodities. The farmers are told what they must or must not grow. Here we have a situation where only 20 percent of the farmers grow 80 percent of the crops, and yet the 80 percent that grow 20 percent of the crops are penalized so that the 20 percent who grow 80 percent of the crops can be guaranteed a profit. If there is a profit they get it and if there is a loss the taxpayers pay it.

This Kennedy-Freeman bill would set up strict and compulsory limitations on feed grain acreage and marketing for the first time. Every grower would be controlled by the Government.

As for wheat regulation, this bill according to the American Farm Bureau Federation would be an administrative monstrosity. It would establish a complicated multiple-price system costing more than $1 billion per year on exports alone. Also food costs to the bread-consuming public would be increased.

The dairy program in this bill, according to the Farm Bureau, would be a boondoggle and opening wedge for a compulsory milk program. The Bureau describes the entire bill as a giant step toward strict Government controls for all of agriculture.

I ask again, Does the end justify the means?

The Farm Bureau says this bill means inefficient production and higher consumer prices. How will the American housewife like that?

This organization representing 1,600,000 farm families opposes the bill and says it will result in politically determined and regulated farm prices, more Federal bureaucracy and higher cost to the taxpayers.

The bill calls for supply-management with a system of committees of farmers, under control of the Secretary of Agriculture. The compulsory features of the bill have been described in an editorial of the Washington Post as lending farmers the power of the Federal Government in order to control production. Those are innocent-sounding words but I wonder if Government can lend its power over production and prices in this one field why cannot Government power be loaned in others? Can Government lend such power to the automobile or steel industries? In a depression when farm machinery is in surplus, will Government offer supply-management to this business—under a yes or no referendum—for a planned economy? How about coal and oil? How about metal mining? How about zinc and lead?

I ask, Does the end justify the means? Where is this legislation leading us?

If I may answer myself, I would assert the supply-management principle would lead America away from free enterprise, away from competitive enterprise, away from freedom itself.

Does the short term end justify such long time means and eventual loss of individualism? This is welfare statism. It is Government paternalism. It is wrong.

The Washington State Farm Bureau held meetings in all agricultural areas of my State and found our farmers almost unanimous in their opposition to the degree of control proposed in the Kennedy-Freeman bill.

Washington State farmers want to move in the direction of less Government intervention and toward an uncontrolled market price system. They oppose being offered two impossible choices including the threat of surplus dumping on the market and other coercive devices.

Mr. Chairman, I have been deeply concerned at the trend away from representative government and toward undue power in the executive branch. The objectives of the administration on this bill I sympathize with, but the end does not justify the means.

In the language and provisions of this bill lie the greatest danger to our form of government.

I hope the Members of the House will stand firm and reject this facist type of proposal that will solve nothing but instead would violate basic and inherent rights of citizens against compulsion and Government intervention.

Mr. Chairman, I submit that no end justifies the means proposed in H.R. 11222. I urge its decisive defeat.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from New Jersey.

Mr. JOELSON. Mr. Chairman, I intend to support the Food and Agriculture Act of 1962 only because the failure of Congress to enact it would result in the automatic return to much of the subsidy program of former Secretary of Agriculture Ezra Taft Benson which has proved to be a costly failure.

I would like to see the day when the entire farm subsidy price support and acreage control program will be discontinued. I regret that this is unlikely, however, because both political parties have such programs in their platforms.

I consider the bill under consideration to represent an improvement in a bad situation since it is designed to reduce staggering surpluses and save the Government hundreds of millions of dollars in storage costs.

We have heard in this debate outraged cries against Government controls raised in behalf of the farmers. However, since our farmers have been the beneficiaries of Government subsidies for years, what right do they have to resist attempts by the Government to require their cooperation in reducing costly surpluses? They should no longer be allowed to accept rights without assuming corresponding obligations.

It is important to note that the bill will not come into operation for wheat farmers unless two-thirds of the farmers affected vote to approve it. The choice in the referendum would be between a crop management program with price supports or no production management program and no price support. The time has come for our farmers to realize that they cannot have Government price supports and subsidies without Government controls. The decision is now theirs.

Mr. HARVEY of Indiana. Mr. Chairman, there has been so much emotional as well as statistical evidence presented to this committee concerning this bill on a question which has been so frequently before us, that I am inclined to think that most of the Members who are not directly interested in the problems of agriculture become a bit unhappy and possibly even a few may become a little confused by the claims and the counter claims and the charges and the counter charges that you hear from the well of this House.

Most of you folks know I am a farmer from the Midwest, a grain and livestock farmer, a man who lives on a family farm, and who has given most of his life to agriculture and the problems thereof. I would like to think as I talk to you for a little while here this afternoon that I am talking to you rather as a farmer than as a Member of the Congress—as a farmer from my district would talk to you if he had this very great privilege and opportunity that I have of addressing you.

Mr. Chairman, I want to say first of all, I am in no fashion casting any disparaging remarks on those who may disagree with me. The fundamental question that is at stake here today is whether compulsion is going to be imposed upon the grain and livestock segment of our agricultural economy or not. That is the question—and all the rest of these things are more or less adjunct to that. I hope certainly with all my heart that compulsion will not be imposed upon the feed grain and livestock segment of our economy.

You have listened, I am sure, intently to a great many interesting reasons why we should or we should not be in favor of this. But I am going to touch upon this question in a way that I believe it has not been touched upon during the course of this debate. I listened with interest as my colleague, the gentleman from Mississippi [Mr. ABERNETHY] explained his vote, as he did in great detail and in good conscience. He said:

This will not be good for my district and therefore I cannot support.

Well, I want to say to those of you who are from districts similar to Mr. ABERNETHY's where you have small farms and where the farmers are dependent upon the grain they raise for their livestock as their chief source of living that you ought to be opposed to this mandatory provision also. One of the members of our committee said to a wavering Member the other day, and I heard him say so ,"This has not been too good, but we have some amendments we are going to offer that will take part of the sting out of it." But I say to you, this is a principle that is deeply involved.

Whatever form it may take at this stage in our plans, if you once embark upon a compulsory program, the burden eventually will fall the heaviest upon your small grain and livestock farmers. They are the ones who are going to be hurt eventually.

As one who has spent his entire lifetime in a rural community I say to you that the great stabilizing influence in

this country of ours has been the small family-sized farm. In any program as far reaching as this the big farmers can adjust and they will take care of themselves all right, however we may operate here in the Congress.

It was my privilege just a week ago now to sit in on a symposium at the University of Nebraska as a Representative of the House. At this symposium, we listened to two professors, one from Oberlin College and one from Cornell University who gave us a history of the land policy of this country since its beginning. The chief criticism I heard throughout their discussion—and it was not a particularly impassioned discussion, it was more or less a matter-of-fact relation of what had happened—the theme that I detected throughout this whole thing was that the congressional policies throughout the years with regard to land use had been: "While this may not be the best way to do it, it is the easy way, it is expedient."

Throughout the years we have hobbled along with this philosophy not of providing basic solutions but because it is the easy way to do it.

To be sure, the solution that is offered in this bill came as a result of frustration. I am sure you detected that in the debate here today. The proponents are frustrated with the complexities of the problems, and they want the easy answer.

Let me say to those of you who live in consumer districts that the standard of living in this country rests upon and is based upon the amount of meat that the people can afford to have in their daily diet. In that respect this country of ours has exceeded all other countries in the world in ability to provide not only good food but a high standard of living. This is indicated by the consumption of meat, not one type of meat alone but various types of meat. All of these meat products, of course, are the net result of the food produced in this country. You could not have meat in the diet of your people if you did not have feed grains.

In an effort to do away with the feed grain surplus they are imposing a program that I think, in my humble judgment will ultimately make for higher priced meats. It is not something that is going to happen today or tomorrow, but eventually it will happen. Livestock growing that stretches from one coast to the other provides two-thirds of the total agricultural income of this country of ours and has through the years provided us an efficient and very well organized productive effort. It has made available for the people of this country meat in great quantities, selective meat of the finest quality to be found anywhere in the world. This is the type of standard of living that we like to talk about to our consumers.

But I say to you in this instance you are tampering with a very fine efficient system, and I believe with all the sincerity I possess that if we were to embark upon a compulsory program of the type indicated and recommended here we are eventually going to destroy the great livestock industry of this country. These to me are very substantial reasons. I have tried to be fair and equitable in the matter. I hope the Congress in its wisdom will not impose a compulsory program upon the grain and livestock farmers of this country.

Mr. JONES of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. ROUSH].

Mr. ROUSH. Mr. Chairman, the farm bill which is now before us contains features which are, on the whole, not in the best interests of the Indiana farmers that I represent, and which are unacceptable to the farmers of my district.

Provisions of the commodity programs proposed in the bill could, and in my judgment will, have a harmful affect on the farm community and on the long-range farm income of my constituents. What are the provisions which bother me? First, the provisions pertaining to wheat. My farmers are primarily small acreage wheatgrowers. These farmers of my district grow Soft Winter wheat, a commodity not in surplus; yet this bill would impose upon them the same controls, the same programs as are imposed on those responsible for the farm problem. They should not be penalized to account for the excessive crops of western growers of other types of wheat.

And then the provisions pertaining to feed grain bother me. If the bill passes in its present form, the cattle feeders and poultry farmers who grow the grain they feed would be seriously affected. Try to tell this farmer that he has to cut his acreage and you have a very hostile and belligerent man to contend with. The fact of the matter is that he is right. He should be allowed to grow whatever quantities of grain that he can normally use in his own farm operation. I strongly object to any provision which would prevent him from doing this.

I am confident that, if the bill passes in its present form, the farmers of my district would reject the commodity programs by a large vote, but the referendums would probably be passed by the national vote. If the farmers of the country should pass on only one of the two commodity referendums, the effect on the small acreage farmers of my district would be serious. The supply of the unregulated commodity would compete destructively with the regulated commodity and the farmers of my district would be among the losers.

I support the goal of the proposals to cut the costs of the farm program. I believe the voluntary emergency commodity programs developed last year by the Kennedy administration and Secretary Freeman have been extremely effective in this regard. I feel that these programs should be extended for another year and that a long-range program to provide eventual withdrawal from the support programs should be prepared and presented to the next Congress. My survey of farm opinion in the district confirms my thinking on the farm programs. I feel very strongly that the interests of my farm constituents must be protected.

Replies from a farm questionnaire mailed to nearly 14,000 Fifth District farmers indicate that, if faced with the referendum choices offered by the proposal on wheat and feed grains programs, farmers in the district would vote "no" by a margin of nearly 8 to 1. The poll also indicated that only a small percentage of the dairy farmers would like to participate in a voluntary dairy control program. This opposition comes in spite of the fact that a majority of the respondents believe the proposed programs would offer them a better or similar personal farm income, at least in the first years of the program's operations.

Most farmers would prefer a continuation of the present commodity programs in wheat and feed grains to the new plan. Many voiced a preference that the Government withdraw completely from commodity programs immediately. Nearly all of the respondents indicated that they believed a planned and gradual withdrawal from the programs over a period of years should be a goal of any agriculture planning.

Mr. Chairman, I hope that this legislation as now proposed might be amended. I would support amendments which would raise exempted acreage from 25 to 40 acres. Another amendment which I think is a must, is one which would permit the Secretary to increase the acreage allotment for any class of wheat which would be in short supply. I am also of the opinion that the bill should be amended so as to exempt a farmer from feed grain allotments who intends to feed in his own operation the grain he is growing.

I should advise the membership that although these amendments will improve the bill, I cannot support the bill on final passage as long as the presently proposed mandatory controls are imposed on Indiana farmers to take care of a problem which is not of their own making. I want a farm bill which will solve the farm problem which confronts this Nation. But, Mr. Chairman, I want a bill which will protect the rights and interests of the free enterprise system which the farmers of my district are so very much a part of.

(Mr. ROUSH asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. JENNINGS].

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, first I want to commend the members of the committee because in the 8 years I have been here I do not know of a time when we have spent more hours of deliberation and discussion on a bill than we have on the one that is before us today. I feel that all Members here are sincere in the views that they have taken. But, we are now reaching the point of decision.

I have heard a great deal of talk about each individual Member's position. I have heard talk about freedom for the

American farmer. I have heard talk about that fact that certain Members are against controls.

We are now about to make a decision and vote.

I have seen a great deal of inconsistency here. Just day before yesterday we considered a bill that was a supply-management bill of the purest and simplest type I have ever seen. It gives the Secretary of Agriculture more power of control than any we have voted on in this Congress. With the exception of the gentleman from Illinois [Mr. FINDLEY], and perhaps one or two more who took a consistent view in the committee, those who are opposed to this bill voted for a controlled production, for supply-management and to give the Secretary authority, which is not contained in this bill.

So here we are at the hour of decision.

Which way are you going? There are two ways we can go in an agricultural program. One is the control and support route, in which case we can control production and in return the farmer can receive a fair return on his investment. The other is, we can go the freedom route, in which case I do not believe, and I think the majority of the Members of this House do not agree, that the farmer or anyone else who does not make a contribution to the management of the things which he is supplying should have supports. That is the decision we are going to make today. That is what this bill does.

You will have to vote for a farm bill today or tomorrow. If you vote, you are either going to vote for the bill that is presented here by the Committee on Agriculture or you are going to vote for a bill that is now law, passed in 1958, known as the Benson bill. That bill provides for unlimited production, with a guaranteed support price. That support price is so high that it has amassed great surpluses. It has filled our bins.

It is costing about a million dollars a day to store the surpluses, and by 1966 if you vote against this bill and we revert to the 1958 law, you will then be paying for storage alone about $1¼ billion, more than a million dollars a day. That is the choice you have. Which one of these programs are you going to vote for?

There are now a lot of bleeding hearts for the farmer. We have heard that the emergency feed grain program is a good one, and that it should be permitted to act for another 2 years.

What happened when we had that bill up for consideration in 1961. Today's proponents of that program said it was no good, that it was going to regiment the farmers, and they voted against it. They voted no. They voted to recommit the bill, and they voted against final passage.

It reminds me of the "Johnnie-come-lately" on social security. All those people who voted against it now say it is a great program, and they try to take credit for it.

The distinguished minority member of the Committee on Agriculture said he asked the Secretary, Will this voluntary program work? It is doing a good job.

He voted for a motion to recommit. He voted against the bill when it was in the House. But, the present emergency program is self-defeating. As the farmers take their production off the market, the price increases, and it has a built-in self-defeating gadget, and it was never intended except as a temporary program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Iowa.

Mr. HOEVEN. Of course, I am quite sure that the distinguished gentleman from Virginia has no intention of embarassing the gentleman from Iowa.

May I point out to the gentleman that if he had carefully read the RECORD, he would have found that I did vote against the bill on account of some of its bad features, especially section 3, which would have given the Secretary of Agriculture complete control of the feed grain program.

It was proposed that he be authorized to dump wheat on the open market at 17 percent below price supports, and I opposed that. I voted for the conference report on the bill. I was a member of the committee of conference, and I voted for the conference report because the conferees completely eliminated section 3, to which I was opposed. If the gentleman will check the RECORD, he will find that I made a 10-minute speech to the House urging them to approve the conference report, and I voted for the same.

Mr. JENNINGS. I thank the gentleman.

You know, there are a number of people here today that would like to get on both sides of this issue, but you are going to have to vote for the bill before you which gives the farmers the right to select their program through referendum. Two-thirds of them have to approve it. How many of you would be here today if a two-thirds majority were required? This is what we are telling the farmers: Two-thirds of you must vote in favor of this program, or it does not go into effect.

What is the alternative? We are telling them, if you vote for it, we will put this controlled management program into effect and give you a reasonable return on your investment, but you make your choice. You go the way you want. You either vote for it and you get supports, or you vote against it and the Government gets out.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that the House Committee on Agriculture worked for weeks on this legislation?

Mr. JENNINGS. I think months would be more in order.

Mr. COOLEY. I want to ask the gentleman, did anybody on that committee offer an amendment to carry forward the voluntary feed grains program which is now in operation and which we now hear so much praise for here on the floor of the House?

Mr. JENNINGS. To my knowledge, before the full committee, no one offered that amendment. I will say in behalf of the ranking minority member that before the Feed Grains Subcommittee he asked the question, whether we were going to go the control route or whether we were going the voluntary route. A vote was taken, and the majority of the subcommittee members agreed that we would give the farmer the choice of going the control route or the freedom route.

Mr. COOLEY. What I am talking about is the full committee.

Mr. JENNINGS. To my knowledge, it was not introduced. It is just something that I heard of since we started the debate.

Now, I would like to ask the ranking minority member if he now intends to offer that type of a substitute to this bill.

Mr. HOEVEN. It is my intention to propose a substitute to title 4 of the bill at the proper time.

Mr. JENNINGS. I would like to ask the gentleman if he would respectfully give the majority a copy of what he intends to offer so that we can consider it. As the chairman pointed out, we sat in committee day after day, week after week, hour after hour, and it was not offered. It is true that the gentleman from Minnesota [Mr. QUIE] offered a substitute in his own right, but that did not include this particular feature.

Mr. COOLEY. And he offered that only just before the rollcall.

Mr. JENNINGS. I was going to add, that was offered just before the rollcall.

Mr. COOLEY. Did the gentleman from Virginia ever see a copy of it?

Mr. JENNINGS. I did not, and to my knowledge nobody else did.

Mr. COOLEY. Have you seen a copy of the proposed amendment now?

Mr. JENNINGS. I have not, and that is why I asked if the amendment was going to be offered at this late date. Certainly the majority should have the opportunity of seeing the type of amendment that is going to be proposed.

Permit me, please, to proceed, and I shall yield at the conclusion of my statement.

Would the gentleman from North Carolina [Mr. COOLEY] yield to me some additional time? If the gentleman cannot, I cannot yield at this time. Could I have 5 additional minutes, Mr. Chairman? I am just getting started.

Mr. COOLEY. I yield the gentleman 2 additional minutes.

Mr. JENNINGS. Mr. Chairman, a great deal has been said about the family farmer, and they say the family farmer is not taken care of in this bill. You know, one of the reasons I think we did not mention the family farmer in this bill is because last year a number of people on the committee voted to strike out the words "family farmer" in the title of the bill then under consideration. Can anyone imagine such a thing? Then, those bleeding hearts come here and start crying for the family farmer. I want to maintain the family farmer as a way of life, as an institution of America, and as an institution of its economy. I plan to introduce some amendments

and I want to tell you about them. If you need a copy of them I shall be glad to submit a copy to you. Permit me to briefly explain the amendments which I propose to offer. First is the growing of ensilage. If he grew ensilage on his farm in 1959 and 1960, he may now grow it under the bill without considering it in his feed base, the same amount as he grew earlier.

We have heard a lot about the shortage of certain types of wheat. We heard a lot about it last year, but it did not materialize.

Mr. Chairman, I have another amendment that I shall offer to this effect: If the Secretary of Agriculture finds there is a shortage of any type or variety of wheat, he may increase allotment for that type in order to insure the baker, candy manufacturers and other users of an adequate supply of such wheat, and thereby give to the growers of that type of wheat this additional acreage.

Mr. Chairman, I also have another amendment which is the 40-acre provision. In other words, anyone who raises up to a 40-acre base is given the freedom of choice. He may either go into the program or he may stay out. If he goes into the program voluntarily he takes the cuts and he gets the support price. If he stays out of the program, he goes ahead and raises up to his base acres without any penalty provision.

Then, Mr. Chairman, I will propose another family farm amendment. This is the last amendment that I intend to offer, which I think is a good one.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. JENNINGS. Mr. Chairman, could I have 1 additional minute in order to explain the grazing allotment amendment?

Mr. COOLEY. I yield the gentleman an additional minute.

Mr. JENNINGS. Mr. Chairman, here is the grazing amendment, which is a family farm amendment. Mr. Chairman, we have heard these bleeding hearts talk about the fact that you cannot feed grain, which you raise on the farm, to your livestock. However, through this amendment we propose to give the farmers more freedom of choice. What are we going to do? We are going to let him decide in his own right. The payment provided for in this bill is 50 percent the first year, then 40 percent, and then 30 percent. We are going to say that he has the choice of accepting this or grazing the land, at his own discretion.

I ask you, how much fairer could you be to the family farmer?

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Alabama.

Mr. ANDREWS. Mr. Chairman, I would like to ask the gentleman this question:

We have had a good program for the growers of peanuts and cotton. In the opinion of the gentleman from Virginia, what effect would the failure to pass this bill have on our cotton and peanut production?

Mr. JENNINGS. I am glad the gentleman from Alabama asked that question. You cannot continue a successful program for peanuts, cotton, rice and tobacco, with an agriculture that is divided, and with a surplus that is mounting in feed grains, wheat, dairy products, and so forth. You will bring the house of agriculture down on yourself, and its present successful programs will fail also. A house cannot continue divided against itself.

Mr. HOEVEN. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, we are again hearing the same old record without the benefit of even a new needle. It is just like the Chinaman said about the foghorn. He said, "The foghorn blow and blow and blow, but the fog comes just the same."

Mr. Chairman, I have listened to that same type of speech on this floor during the 12 years that I have been here. I heard the same impassioned plea 2 years ago to pass the present feed grain bill that now they want to junk. It was a brand-new bill. What I cannot understand is that during all of these 12 years, every year they have come before this House with a bill that would reduce the surpluses but which would increase the farmers' income, and would cost the taxpayers less money.

That would have been a very fine trick for Houdini to perform, if it were possible. If we are going to spend not as much money to buy more wheat from the farmer for more money, who is going to pick up the difference? The gentlemen from the city districts and the consumer areas can answer that one.

There seems to be a lot of confusion here as to just what the minority has tried to do during all these weeks. It was said that no substitute was offered. For the minority side on the Committee on Agriculture to offer a substitute for a majority bill would be just as ineffective as whistling the "Star-Spangled Banner" on the courthouse square in Moscow. They have 21 members and we have 14. Why on earth are the 21 members of the committee so concerned about getting the support and cooperation of the 14? They do not want cooperation. What they want is acquiescence and some of us did not feel that we could possibly acquiesce, as much as we love the majority.

It is just like the old farmer who owned 51 percent of the stock in a bank. This old Dutchman would have a stockholders meeting every year and he would let everybody connected with the bank make reports, make suggestions and make speeches. And when they got all through, he would say, "Well, ladies and gentlemen, I own 51 percent of the stock. I vote 51 percent of the stock for Mr. Jones for president. And Mr. Jones is elected president." And he went all the way down through the other offices in exactly the same way, and he said, "51 percent of the stock votes for adjournment."

Now they have 51 percent of the stock and we are like the people who were permitted to make all the speeches in the world, but in the end they have 51 percent of the stock.

They have talked about the bleeding hearts, and so forth; my heart really does bleed for a man on this side of the aisle who represents a consumer area. He is going to get into trouble one way or the other. Either he is going to make the Secretary of Agriculture and the President of the United States very unhappy or he is going to make a great many constituents back home very unhappy.

Some stupid taxpayer this fall may say: "Why is it that you voted for all those bills for the past 10 years that created $9 billion worth of surplus, and that cost $1 billion a year to store?" And I will tell you what you can say. You can say:

"The gentleman from Texas and the gentleman from North Carolina and the speaker who just preceded me told me that it would save money and that it did save money." And the stupid guy is liable to say: "Well, how many billion dollars would we have had to invest if we had not had all those good bills?"

You people from the consumer areas, I think, are going to be smart enough to figure out how you can pay a farmer more money for less wheat and do it with less expense to the taxpayers.

Mr. Chairman, we have heard a lot of discussion here about former Assistant Secretaries of Agriculture, and about blocking movements, and so forth. Now, I have never been partisan on this floor. I have never opposed a bill just because it was presented by the majority. I have never supported a bill just because it was presented by my own Secretary of Agriculture. But the discussion this morning was that a former assistant to the Assistant Secretary of Agriculture on the Republican side, under Mr. Benson, had made some particular kind of a statement. I do not know what his statement was and I do not know to whom he made it, but so far as I am concerned, I accept no more responsibility for what the assistant to the Assistant Secretary of Agriculture under Mr. Benson said than I ask you gentlemen on this side to assume the responsibility for what an Assistant Secretary of Agriculture under Mr. Freeman did in a certain clothing store in Dallas, Tex. I think both are completely immaterial as far as this bill is concerned.

This bill will not save money any more than the bills during the past 10 years saved money. The farmers do not want it. It was suggested a minute ago that most of us are just bleeding hearts for the farmers. I say to the gentleman who has just preceded me that he cannot find any farmers out in my district who will think his heart is bleeding for them if he is going to try to use this bill to hog-tie and hobble them.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I appear this morning as a representative of one of the great agricultural sections in the Nation, in New York State. I may say with some modesty that I have represented this agricultural area so successfully that note was taken of this fact

recently by the Republican legislature in my State in their reapportionment session when they decided to give me six more agricultural counties and take away one of my industrial counties.

Actually, most of the provisions of this bill will have little effect on the agricultural area of New York State, but there is in this bill an opportunity, it seems to me, for those of us who are concerned with the dairy industry in New York State and with the dairy industry in the entire Northeast to do something that will be of great benefit to the dairy farmers of our State and our area and to correct the very serious threat to their income and to their market stability that was created by the recent decision of the Supreme Court throwing out the so-called compensatory payments provision of milk marketing order No. 2. This is simply a provision that those who benefit from the order shall assume their fair share of its responsibilities.

I have an amendment, which I plan to offer under the 5-minute rule, to restore the legislative authority for this arrangement which the Supreme Court found to be presently lacking. Members who are interested in this amendment will find it included in H.R. 12138, with a discussion appearing in the CONGRESSIONAL RECORD on page 9745 of the RECORD of June 14. This bill would be added as an amendment to the farm bill on page 88, line 3, thus restoring an essential provision of our New York-New Jersey milk marketing order and other milk marketing orders that must be done if our farmers are to survive.

So here is an opportunity for those of us in New York, New Jersey, and the entire Northeast to do something constructive in this farm bill to help our own dairy farmers. We do not need to wait for some committee to turn in a report. We in Congress have the responsibility to act. So let us exercise that responsibility, and exercise it now when we have the opportunity.

Mention has been made on the floor, and the previous speaker mentioned it again, of the disclosures in the Fountain committee of a kind of plan by our Republican friends to offer only blind opposition to all farm legislation. I was not surprised to learn that one of the gentlemen of the Republican Party who participated in this plan was the present Republican candidate for Governor in my State of New York, one Nelson A. Rockefeller. I was not surprised he attended this meeting because he has done absolutely nothing to help the dairy farmers of New York State except to attack Mr. Kennedy and to try to take credit for the defeat of the National Milk Sanitation bill which some of us down here actually succeeded in killing in committee last year.

Although on the 15th of June I announced I was introducing this amendment of mine to help the dairy farmers in New York, I have heard nothing from the Governor of New York nor from the State department of agriculture, which should be interested in the welfare of our dairy farmers. Here is a golden opportunity for the Governor of New York to show that he really is interested in New York State dairy farmers.

I have today wired Governor Rockefeller and challenged him to line up the Republican Members of the New York congressional delegation in support of the Stratton amendment, and to come out before noon tomorrow personally in support of my amendment to use this present farm bill as a means of lending support to the dairy farmers of New York State. I look forward to his reply. When I offer my amendment on tomorrow I hope to be able to tell you what that reply has been. I do hope that Mr. Rockefeller will go along with us so that we can get the full support of the Republican Members for this important amendment. In this way the Republican candidate can prove what he has not yet demonstrated, that he is after all willing to help the dairy farmers of New York State.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, continuing the rhetorical questioning that occurred a little earlier today, does anyone deny that the land of cotton is under acreage allotments? Does anyone deny that this bill would establish acreage allotments for the Corn Belt? Does anyone deny that Billie Sol Estes got in trouble because he was trying to buy up the right to grow, which is embodied in acreage allotments for cotton? Does anyone deny that this bill would establish in Illinois and elsewhere in the Corn Belt the same type of bureaucratic briar patch in which Billie Sol Estes operated in the land of cotton?

A lot of attention has been devoted in this debate to the cost of the proposed programs. I was particularly impressed with the statements by the gentleman from Illinois [Mr. MICHEL], which show clearly that the feed grains section would heap new burdens on taxpayers rather than less—and by the gentleman from Oklahoma [Mr. BELCHER], who reminded us that even the Secretary of Agriculture, Mr. Freeman, who cannot be expected to give an overly conservative estimate of savings, estimates that the wheat section will save a modest $29 million.

In view of the fact that the same Mr. Freeman once claimed the 1961 feed grains program would save a half-billion dollars a year and now says the feed grains program is too expensive to continue, we would indeed be optimistic if we concluded that the wheat section will save a single dime.

The dairy section will surely prove to be a boondoggle of first magnitude. The proposal would pay dairy farmers for cutting back in production, but provides no effective restraint against moving the same cows across the fence, to continue in production just the same for another farmer.

If Mr. Freeman had trouble chasing down elusive "phantom acres" in administering the feed grains program—and trouble he had to the extent of $150 million—think of the handicap he will face in chasing phantom cows.

The bill provides payments for dairy farmers who reduce milk production, but it fails to provide a means of communication with the cows themselves. Just how the cows will be taken out of milk production, short of the slaughterhouse, is not clear. Will the New Frontier install faucets on the cows? If so, I predict massive discomfort in the land of lakes.

Let us face it. This bill confronts the taxpayer with a heavier load, not a lighter load.

The cost angle is important of course, but it is not the most important aspect of this legislation.

It would be tragic if we were to become so absorbed in dollars and cents and neglect the fundamental changes this bill would cause in American agriculture.

This bill is but a skirmish. It is a skirmish in a long-range assault on the private enterprise marketplace system. It is a product of economic planners who have little or no faith in the marketplace system or in the ability of the individual farmer to run his own affairs. I say it is just a skirmish. This Congress has taken part in many skirmishes and so have previous Congresses over the period of 30 years. Almost without exception in those skirmishes those who believe in private enterprise have been the losers. If H.R. 11222 passes, it will further weaken private enterprise and heap new authority in the hands of the economic planners. This will strengthen the planners for the next skirmish and those who fight for freedom will be that much weaker.

In effect, the bill says, "Look at the farm mess. We have got to put the farmer in chains in order to keep him out of trouble." That is the same doleful tune of every would-be dictator through the ages. In the guise of helping the farmer, the Federal Government has messed around with one program after the other for 30 years. True, the farmer is in trouble, but not from his own lack of ability. He is unquestionably the most efficient farmer in the world and given the opportunity can win expanding world markets through the private enterprise marketplace system. But the farmer is in trouble today because of the unwise action of the Federal Government in past years. Is it proper then to get him into still worse trouble through more unwise action on the part of the Federal Government? The surplus stocks exist because of unwise Federal programs of the past. The farmer is in a cost-price squeeze because of unwise Federal fiscal policies, policies which have doubled the price the farmer has to pay while other Federal policies have created surplus stocks which depress the prices that the farmer gets for his produce. The farmer is losing markets because of unwise policies of the Federal Government. Because of Government policies the American tobacco farmers are not getting their share of rising world markets. Because of Gov-

ernment policies, the land of cotton is in trouble. The cotton contraption got so bogged down this year that the President demanded and got authority to rig world cotton textile markets in an effort to keep the contraption clanking along.

The problems of the farmer can be laid at the door of the Federal Government. The Government is to blame, not the farmer. And what is our answer? More of the same nonsense, more of the same interference with the private enterprise system, more socialistic schemes from the economic planners, more burdens for the taxpayers.

What is needed is not more Government, but less.

The Republicans did not attempt to sweeten up the bill, because there is no way to make the police state palatable to the American farmer.

Last year's feed grain program was a heavy blow to the private enterprise system. How anyone can agree to the administration's feed grain program I do not know. The administration of this program has weakened the private enterprise merchandising of grain. The leader of the AFL–CIO in Chicago, commenting on the administration of the 1961 feed grains program used these words:

> One can only judge that there is a certain group within the Department of Agriculture that is bent on destroying American free enterprise.

This was a leader of the AFL–CIO speaking.

Last year the Secretary of Agriculture unwisely raised supports for dairy products, helping to cause a new glut in dairy products. Early this year he asked the Committee on Agriculture to dignify this error and compound it by ordering an extension of supports at this artificial and unwise level. The committee refused to do so. Most of us realized that this was the same old story.

We pass bad laws and get commodities into trouble. Then the economic planners have a stronger argument to demand still more power.

We could see this familiar pattern with unusual clarity because we had had a look at H.R. 10010, the original farm bill of the administration, which included the tightest straitjacket ever designed for dairy farmers, a control program that even provided up to 1 year in the penitentiary for dairy farmers who failed to make reports and keep records the Secretary of Agriculture might prescribe.

This is but one skirmish in the long-range attack on the private enterprise system. Whether it is by accident or design, either way the pattern is clear: It provides for the takeover by the Government of American agriculture.

H.R. 11222 is but one step in the process. We saw in H.R. 10010 what the administration really wants: Prison terms for farmers and the power to take over farms through eminent domain.

This bill will make it easier for the administration to come back and get what it really wants, dictatorial control of American farms.

In this New Frontier of agriculture the incentive of the marketplace is to be replaced by the compulsion of fear.

Mr. McSWEEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. McSWEEN. I know the gentleman is sincere in his argument and I respect his views. I noted that the gentleman had something to say with regard to cotton allotments and the allotment system. Would he care to make further comment regarding the cotton program?

Mr. FINDLEY. Yes. We would be very wise indeed to get away from the artificial controls that have been placed on cotton. We have seen this world cotton control program force us to the point where now we have to protect the New England textile industry from imports from Japanese factories. It is brought about simply because the Japanese factories can buy American cotton so much cheaper than American processors can. The American processors are thus placed at a distinct disadvantage.

Mr. McSWEEN. And particularly with reference to the allotment system, the gentleman thinks that is an unsound system?

Mr. FINDLEY. Indeed I do. It is fundamental in America that every man in America should be able to use his property, his talents, his resources, and his ambition to the best possible advantage.

Mr. McSWEEN. If the gentleman will yield further, I would like to compliment the gentleman for the frank sincerity of his statement and for his consistency, because he based his attitude in opposing the sugar bill on the same reasoning. I thank the gentleman very much.

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I rise to support this bill, H.R. 11222, a bill to protect farm income, to reduce the cost of farm programs, and to reduce the Federal Government excessive stocks of agricultural commodities. As a member of the Appropriations Subcommittee on Agriculture, I have learned to appreciate the tremendous contribution which the farmers of America, who comprise only 10 percent of the entire population, make to feed 183 million people in the United States and the people throughout the world. But I cannot sit back and remain silent when I see a group of big selfish farmers aided and abetted by the Republican Party trying to fleece the American taxpayer and the American consumer. If you defeat this bill, you will permit the farmers to continue to feed at the public trough and amass further feed and wheat grains which cost more than $600 million a year in storage alone. If you defeat this measure, you will preach economy, but apparently do not practice it, will continue the wasteful practices in the farm program, you will continue our increasing farm surpluses. If this bill is defeated the American wheat farmer will be operating under the 1958 law which provides low price support and unlimited production within the 55 million acres allotted. When you realize that by reason of the scientific improvements in agriculture, by reason of the technological advances and the intensified fertilizers, and when you realize that a new type of seed permits a farmer to grow 100 bushels of wheat per acre instead of the average 24 bushels of wheat per acre, you are opening up a tremendous increase in the cost which will exceed more than four times the present cost. You will more than double the storage costs in wheat which has exceeded $600 million per year, and notwithstanding the fact that 2 years ago we reduced the storage costs by 3 cents a bushel. The storage costs and reallocations are burdening the overwhelmed taxpayer in America today. Since 1950, feed grain production has increased by 40 percent or 1,250 million bushels on approximately the same acreage. Wheat production has increased by 263 million bushels on 12 million less acres. We are the victims of our efficiency and greed by big farmers.

If this bill is defeated, we know what the policy of the Republican Party will be. Martin Sorkin, former Assistant to the Secretary of Agriculture, in a letter to the Commercial Solvents Corp., which is involved in the Billie Sol Estes case disclosed the fact that the Republican policymakers had gathered together and agreed not to cooperate or give any assistance in the solution of our farm program. The bill which we have under consideration will benefit the farmers, the taxpayers, and the consumer. It is a farm bill for all the people.

If this bill passes, then the farmers will have to decide by a referendum to accept or reject this program. If two-thirds of the American farmers approve this program of supply management, then all farmers must cooperate to have our supply of wheat and feed grains meet our domestic and foreign requirements, which the Secretary of Agriculture will determine. Mr. Freeman's testimony before the Subcommittee on Agriculture indicated that we will need about 107 million acres of harvested feed grains to fulfill our demands, domestic and foreign, and at the same time, draw upon our surplus corn stocks. The real issue is whether or not farmers will be provided with an opportunity to choose freely and democratically, whether they want to limit their production so that they can bring surpluses under control and get fair prices, or whether they want to produce without limit and to take their chances in the marketplace. By planned management, we can reduce our surplus supplies, guarantee a price support to our farmers, and protect our consumers and taxpayers. I know that if the farmers fail, the urban dweller will suffer. And I do not want to see this happen for the sake of America.

The interests of the farmer and the city resident dovetail. If one is injured, the other suffers. If this measure passes, and the wheat or feed grain referendum is defeated, the farmers will be relegated to the law of the jungle. Every man for himself without price supports, without protection, and every farmer will produce whatever he can and dump the supply on the market. Farmers may well be ruined, and if our farm economy is ruined, urban industries and appliances, industrial products and textiles, will also

suffer. We never forget those days when the farmers left their farms in droves and their farm mortgages were foreclosed.

If we pass this bill, H.R. 11222, we can save the taxpayer over $1 billion in the wheat and feed grain program in 1 year and $4 billion in 4 years, including $3 billion saved in Government payments to farmers. One billion dollars in savings will provide adequate funds to take care of a possible reduction in taxes, will provide a large portion of the revenue for our public works programs, will provide sufficient funds to take care of the needs of the National Institutes of Health, hospital construction activities, and grants for construction of waste treatment facilities. These savings will enable us if we so desire to provide the funds to give our postal workers a pay raise which they are clamoring for today.

It is time that the farmers of this Nation recognize that we must have a supply management program so that price supports can be maintained or to face an early end to effective price supports for many farm commodities. A planned supply management program has proven effective in tobacco and other basic food commodities. We should learn from experience. We cannot and must not continue to support prices while at the same time permit virtually unlimited production as has been done with feed grains for several years.

You Representatives from south Illinois, or Iowa or Minnesota know that your corn is bulging in your bins, in your warehouses, in your cribs, and coming out of your ears. The States of Illinois and Iowa produce sufficient corn alone to feed these people of the United States and the world. The real issue, as Secretary of Agriculture Orville Freeman has said, is whether or not you want price supports with limited production or no price supports and unlimited production. If the big, selfish farmers of America and you Republicans continue these obstructionist tactics, the American people will, in my opinion, paraphrase what Jimmy Durante used to say when the bumblebee nipped his schnozzola and will shout, "Everybody off—no farmer gets a free ride any more." Pass this bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman and members of the committee, we have been spending a very large part of the discussion of this bill in relation to the commodities involved. I am sure that I am not stating a fact which is not known by the members of the committee, that I have, as long as I have served on this committee, opposed the approach of legislation through the omnibus type of farm bill. I realize why it is done. It is done to try to get some things into a bill which somebody feels he must support and then to shove in some material which is bad and then put each and every member into a position where he has got to sort the good from the bad. This is not new in the legislative process.

However, some of us on the committee have spent long hours and sincere effort in connection with other agricultural legislation, in addition to commodity interests, and every time we come in with an omnibus farm bill we find amendments to other legislation in the omnibus bill. This bill is set up in the same manner, and while we removed from the department recommendations many of the very, very serious and bad features, nevertheless there are in this bill amendments to the Farmers Home Administration Act, Public Law 566 and 480, and other provisions. These are areas which ought to have been dealt with separately. While we struck out a lot that the Department asked for, nevertheless within the language contained in this bill there are amendments that are not clearly defined and that the committee is not completely conversant with every aspect of what these amendments will do.

Frankly, I am very disturbed about what some of the authorities extended to the Department in connection with these amendments might lead us into as far as the area of markets and so forth are concerned which might be made by these agencies. I think it is extremely unfortunate that we use this logrolling device.

Mr. Chairman, there have been honest differences of opinions and views on the commodity programs. These other measures that we have tacked into this bill ought not to be involved in this kind of a situation.

Mr. Chairman, I might also mention that one of the disturbing aspects of the feed grains bill of last year, and what continues to be authority in this bill this year, is the authority extended to the Secretary of Agriculture to sell grain into the open market. He may have sincerely tried to keep prices in balance. However, the Secretary has, in the use of section 22 of the ICC Act, given preferential rates and treatment to the southeastern section of this country, which is to the very detriment of the producers of poultry and dairy products in the northeast. I do not agree with the Secretary of Agriculture which in my opinion is arbitrary and so completely prejudiced against the northeast, in order to provide favorable treatment on transportation rates to farmers in the southeast and the southern part of the country. This is the kind of authority which he ought not to exercise in this very unfair and unjustifiable manner. This is a matter which has been brought to the attention of the Secretary. He has made a gesture, perhaps, in asking the Eastern Conference Railroads to accept a rate which could not be accepted. The fact is he ought not to have made the decision that he did under section 22.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I first want to congratulate and compliment the committee for the hard work it has performed on this bill. It is obvious from looking at, reading, and studying the bill that it does incorporate within it a great many more of the agricultural economic principles than we have had in almost any bill which has been before the House for consideration.

Mr. Chariman, I also specifically want, in deference to my good friend, the gentleman from Maine [Mr. McINTIRE], to compliment the committee on having an omnibus bill. One of the problems which we have had with commodity programs for the last 20 or 25 years has been caused by dealing with one commodity at a time without regard for the effect upon some other commodities. In other words, the lack of cross compliance has caused a great many of the problems which we have had.

Mr. Chairman, when cotton producers reduced their acreage in cotton, they could put the diverted acres into feed grains; and when they replaced some of the wheat acres, they could put them into feed grains. That is one of the reasons for having an omnibus bill.

There has been great effort expended to develop a good bill; however, I think any legislation can be improved upon. I have two amendments which I would like to briefly discuss at this time, because I know there will not be enough time to do so under the 5-minute rule.

Mr. Chairman, one of the basic defects, I think, with the feed grains bill last year was, as it was originally proposed, was that there was not enough latitude to adjust the inequities in allotments. As a result of this, I proposed an amendment here on the floor of the House, and it was accepted by the minority leader on the minority side, the gentleman from Iowa [Mr. HOEVEN], as well as the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. The gentleman from Illinois [Mr. ARENDS], I think, was also in favor of it. I intend to introduce an amendment directed to the same objective in this bill. The proposed amendment would permit the county committee to make more adjustments in these allotments where there are inequities. In other words, we have some people who in 1959 and 1960 put their whole farm into feed grains, and they now have a 100-percent base. Others either did not increase acreage in those 2 years or reduced acreage. It is just not right for them to have that kind of a permanent base. I shall offer that kind of amendment.

Another thing I would like to mention is that we from the feed gain area are really in a sort of a dilemma. It is true, as has been said here, that if we go back to the 1958 law, you may expect to see more and more of the Billie Sol Estes type of structure throughout the country. If that program springs back into effect, every time one pulls up to a farm-to-market stop sign, one can look over your right shoulder, and there will be a great big storage structure. If one would roll down the window a little bit, you will hear a Billie Sol Estes laughing at how foolish Congress was to let the storage interests take over the farmers' interest in legislation for agriculture.

We cannot have that program instituted either on a temporary or on a permanent basis.

On the other hand, we do know that the feed grains program, as well as it

has worked for 2 years, is only a temporary program. We must have a permanent program and sooner or later we have got to come to the idea of either accepting some controls or of not expecting supports. On the other hand I think it is unreasonable to expect such a choice to be made in 45 days after this legislation is passed. I do not think it is possible to pass this legislation, get it over to the Senate, send it to conference, get back a conference committee report, adopt it and get it to the President; adjust these allotments, get the explanations out to the farmers, prepare for a referendum and have it on August 20 of this year. I do not think it is possible to do that and have a proper referendum. It is said that the wheat people and the cotton people have been doing such things on their programs. But let me remind you that they have never voted on a program like the feed grains proposal in this bill, for this reason—they have always voted whether or not they wanted to replace some of the cotton acreage with feed grain acreage, or to reduce the wheat acreage and increase the feed grains acreage. But that is a different proposal. What farmers would be voting on in this legislation is cross-compliance. We would not replace these feed grain acres with some other basic crop. I think it would be reasonable to have a voluntary program during the first year rather than have the first referendum on August 20 of this year. I shall offer such an amendment and I hope it will receive favorable consideration.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BEERMANN].

(Mr. BEERMANN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, will the gentleman yield?

Mr. BEERMANN. I am happy to yield.

Mr. LANGEN. Mr. Chairman, I thank the gentleman for yielding. I previously expressed my opposition to this legislation and wish to elaborate further on this point.

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, I would be completely remiss in not only my duties, but in sustaining my previous position, were I not to rise in opposition to the bill that is now before us. It is only a matter of a few days ago since we had before this House legislation which was designed to increase the production of agricultural products. At that time, I called to the attention of this House the fact that we would soon be considering legislation which would, by further restrictions, controls and penalties, plus large expenditures of money, be designed to curtail the production of many of these same products.

The wisdom of that statement is most evident here today. Time will not permit me to cover completely all of the implications nor all of the provisions which, in my humble opinion, would be detrimental to the agricultural economy of this Nation. As a farmer myself, I have a most sincere concern that the problem with which we are dealing, namely that of an inadequate farm income, and burdensome surpluses, be improved so that the farmer may realize an equitable share of our Nation's economy, and the taxpayer and consumer may find some relief from the burden of surpluses.

I shall confine my remarks to two main objections: First, the bill actually reduces farm income. Second, it contains provisions that would destroy the market for American-produced products in many instances in favor of foreign-produced products coming to this country as imports.

The most pertinent of these items to the farmer, of course, is that of his income, which will be reduced by virtue of mandatory reductions in acres, to begin with, and then downward escalating payments for the diverted acres, so that by 1965, there would be no further diversion payments available. Obviously, these provisions mean that the farmers, first of all, will have less bushels to sell, and there is no indication that existing price supports will improve. In fact, in the wheat section, because of a two-price system, there is every indication that the average price received will be substantially less. The same is most certainly true in the feed grains provisions.

I have previously stated that the American farmer's market would be in jeopardy. This I think is best emphasized by a few figures that are readily available to us, and have come about by a continued effort to reduce production in this country without giving any thought to what is happening in the import scene. Let me just cite a few figures as examples.

From 1960 to 1961, imports of beef increased by over 150 million pounds. They increased by over a million pounds in the first 2 months of this year, as compared to last year. Imports of dairy products by over 1 million pounds in 1961 as compared to 1960. With the enactment last year of a feed-grain bill imports of barley increased by over 2 million bushels. Yes; this is an example of what has happened to our market in the last year. We could save hundreds of millions of dollars in this area alone—come a long way in eliminating the need for quotas and allotments.

These figures, I think, substantially point out the danger of establishing marketing quotas and mandatory restrictions on American farm people without giving equal attention or imposing equal restrictions on imports—and I should call to your attention the real danger in this area as it is expressed in the bill itself, in which the Secretary is authorized to proclaim national marketing quotas for corn, oats, grain sorghum, barley, and so forth, to be based on our domestic needs, industrial uses and exports, less estimated imports. Here is a clear and concise indication that we are heading in the same direction as was so clearly identified to his House earlier this week, when we had before us the consideration of the Sugar Act, in which it has become necessary to actually establish import quotas for foreign countries, and then limit our own production accordingly.

Of equal significance is legislation that has recently been enacted by this House which would place into new and expanded production land through reclamation projects. We have just concluded the approval of two projects which would add over half a million acres, a large percentage of which is in direct competition with products that in this bill are being limited, and while it has been said that irrigation projects do not produce surplus commodities, let me call to your attention the figures by the Bureau of Reclamation on projects now in existence and in operation. Almost 80 percent, or over 6 million acres, are devoted to the production of cereals, forage and miscellaneous field crops. These same figures indicate that there is a production of over 30 million bushels of barley, 30 million bushels of corn, 17 million bushels of wheat, and so on, producing a total income of over $660 million. I ask the Members of this House to recognize the cost of making comparable reductions of over 6 million acres in other areas of the country.

Such inconsistency and inequity it is hard to believe can indicate the best judgment or prudent concern for the taxpayer's dollar.

For these reasons, together with all of the others that have been raised by other Members of the House, it is my opinion that it would be a sad day indeed for the American farmer were this bill to become the law of the land. Not only would his income be reduced, but his rights and privileges as a citizens would be further restricted, and possibly more important is the fact that he stands to lose a substantial part of a market that ought to be his.

A substitute measure will be proposed, which I think will much better serve the economic and consumer interest of our country. I am today wondering when the farmer is going to get the consideration he so justly deserves.

Mr. BEERMANN. Mr. Chairman, it is interesting we have heard so much from the farmers from Brooklyn and the other cities of the United States. Now I would like a little attention so you may hear from a farmer from Nebraska. I happen to be a farmer who farmed with horses, farmed with the first tractor that came into Dakota County, Nebr.; and presently my brothers and I are farming with the most up-to-date machinery we are able to find and use under the benefits of the cost-price squeeze. I would like to give you just a little bit of history.

Mr. Chairman, about 100 years ago on May 15, 1862, President Lincoln signed a bill to create a Department of Agriculture. The President appointed Isaac Newton to head up this new agency, and Mr. Newton, after looking around Washington, borrowed a couple of rooms from the Patent Office and hired 30 employees. Mr. Newton's job was simple. He was to "acquire and diffuse" information that would promote agriculture.

Now in the Department's centennial year, we are considering the most far-reaching step in the history of that Department. And although the same basic function of the Department is still

needed today as was needed in Mr. Newton's time, we are asked to make the Department a full business partner of every farmer in the Nation.

This step, if made, will increase the grip of the Department on the Nation's farms, institute unreasonably complex laws that will be even worse than those that have led to recent troubles in Texas, both at an increased cost to the taxpayer.

Let me point out here that the Department of Agriculture in 100 years has enjoyed a growth that is fantastic. It has sprawled into every corner of the globe. Its budget next year has been projected at better than $6 billion. It has more than 90,000 employees. Within the last year it added 3,700 employees while administering a feed grains program that we were told was going to cure agriculture's ailments.

I have not made full use of the Department's facilities but they tell me that it acquires and diffuses information on everything from infant care to what to do about a problem that I am well acquainted with, the corn rootworm. The Department also carries on an immense research program through its 600 field stations. But apparently these are merely sidelines. Its prime purpose is to fix prices, control acreage, tell farmers what and how much to plant. It owns millions of tons of surplus crops. It is constantly in the market buying and selling and sometimes giving away great volumes of foodstuffs. The Agriculture Department is one of our biggest. It certainly occupies more space than others and it has the largest payroll of any agency other than the Department of Defense and the Department of Post Office.

Here is a strange fact I want to insert here: while the number of farms and farmers in the United States has been declining steadily, the Agriculture Department has been growing larger. Last year alone as I have mentioned earlier, it gained 3,700 employees.

The Department in addition to the growth I have cited wants power. And so we have the consideration of H.R. 11222, legislation that will substantially increase the power of the Secretary of Agriculture.

Essentially, H.R. 11222, provides for a permanent program of compulsory Federal regulation of agriculture. Under the bill there are provisions calling for permanent and mandatory acreage allotments and marketing quotas for feed grains and wheat.

If this bill is adopted it will substantially increase the number of farm acreage allotments. I am told we are now issuing 3.3 million of them. With H.R. 11222, with its quotas for five or six other crops, on-the-books allotments will swell to twice that, and of course, we will have a corresponding increase in the number of Federal employees to process them.

I have frequently said that agricultural programs are ineffectual and expensive. None has erased farm surplus. All tend to be less effective each year they are in operation. For example, we have the word of the Secretary himself before committee this year, that the 1961 and 1962 feed grains program needed replacing because they simply would not work. This statement was made despite earlier assurances that the feed grains law would work and would solve the surplus problem.

Strange things that nullify the law's attempt to help farmers develop immediately. Without going into the famous Billie Sol Estes case, a case that can be directly attributable to a law on cotton, I want to bring to your attention some strange things that have happened under the feed grains law:

First. Although the intent of the feed grains law was to raise farm income, frequently the law dropped it and dropped it in the nearby town. For instance, a farmer testified before my committee that when his 1958 farm-stored milo was called up the only place it could go was into commercial town storage. And there it would be piled right on top of his 1957 milo. This indicated that the USDA was not so concerned with raising the farmer's income through the payment of on-the-farm storage charges, as it was in raising the income of the elevator in town. Strangely enough neither happened to be exactly true because when the farmer came to Washington and brought his complaint with him to the USDA, it replied by moving the grain from both the farmer's bin and the commercial town storage.

Second. In attempting to determine a fair production quota for his farm a farmer went to the local ASCS committee and asked to see the records for his farm and those of the farms near it. To his astonishment, he was told that the records were private and could not be examined. It was only after considerable telephoning to the Department was I able to get access to what are regarded as, and should be, public records.

Third. I just want to mention the case of a Montana county ASC committee which was fired by the State ASC committee, although the county committee reportedly was elected legally. Later, in its attempt to fulfill the obligation for which it was elected, the county committee was told that it could appeal its case. Who was it told it could appeal to? The State committee that fired it in the first place.

Fourth. Farmers admitted that the best product farms had to sell, due to Government supports, were dairy products. In plain words, and this is what one farmer said: "Dairy products have been supported so high that many farmers who never milked a cow before supports, find themselves actively engaged in dairying today." I need not point to the problem these supports have caused.

Fifth. The 1961–62 feed grains law based quotas on previous production in 1959–60. In Nebraska, we had instances of newly irrigated farms that had relatively low production records in those years only to enjoy the advent of irrigation in 1960. These farms were charged for irrigation water, assessed at higher local tax rates, and yet were tied to production figures as unrealistic as 15–20 bushels per acre.

Sixth. A notice sent by a local ASC committee to a constituent within my district reads: "According to the records in the local ASCS county office your farm No. A–2, is operated by John Doe, a tenant. He also operates land owned by other landlords. These separate ownership tracts are being considered for combination into one farm. A land owner may file a written objection if he does not want his land combined with other ownerships. If we do not receive a written objection from you within 30 days from the date of this letter, further consideration will be given to this combination and you will be notified when the combination is made. Such combination will be effective for the 1963 wheat program and all subsequent farm programs."

These arbitrary notices, part of farm program administration, are being sent to many landowners in my district and are causing consternation with their abrupt and arrogant tone.

Seventh. Last year, farmers participating in the feed grains program received one-half their storage payment for farm stored grains in March which was a good time because it underwrote the cost of machinery repairs, fuel, feed and fertilizers. A second payment was made later. This year, I understand the rate of payment was changed, of course, many farmers who depended on this cash income were hard put to meet current expenses, because they received part of this year's income last year.

Eighth. Some southern areas early this year suffered a grain shortage because of the heavy signup for the feed grains program. Of course, private grain producers saw the shortage developing and endeavored to meet it by importing grains and selling them on the local market for a price that was not excessive when one considered freight rates. The Department of Agriculture seeing this situation immediately invoked a clause referred to as section 22 of an ICC ruling under which it could ask for and get special freight rates. Then the USDA took this same grain, and with the difference caused by the low freight rates, began competing with privately imported grain. Private grain, of course, had no access to the section 22 rate.

The point, I believe, is obvious.

Mr. Chairman, passage of H.R. 11222 will magnify the unhealthy practices apparent under the present emergency program. I do not intend to be a party to it.

There is an excellent editorial in the current issue of Life magazine, entitled "Freeman Bill Is No Help Even to Farmers."

It is as follows:

You've got to hand it to the Democrats: they are actually using the Billie Sol Estes stink as an argument in favor of Orville Freeman's farm bill. Their reasoning, outlined by the President, helped push the bill through the Senate last month and will now be heard in the House. It goes like this: (1) Billie Sol was a big man in the surplus grain storage business, getting $7 million in Government checks in 3 years; (2) the Freeman program aims to reduce the surplus, hence lessen the need for storage; (3) ergo,

says Kennedy, his farm bill "represents our best chance to do something about the kind of situation which resulted in Mr. Estes' manipulations."

This argument is nonsense. If the Freeman program becomes law, the opportunities of a Billie Sol Estes will not be less; they could spread from the cotton belt all over the country.

Here is the reason. Surplus grain storage is a costly business, but it was not the real key to Billie Sol's manipulations. Cotton allotments—quite a different dodge—were the beginning and end of his career. A cotton allotment is in effect a Government guarantee to buy all the cotton you can raise on a stated number of acres, the number depending on how many acres you farmed in certain previous years. An allotment is worth cash in the bank. Billie Sol became locally successful with one 600-acre allotment near Pecos. He increased its yield by intensive irrigating and fertilizing, and branched into businesses (ditch-lining, pumps, ammonia) that enabled his allotment-owning neighbors to profit in the same way. He then rented his neighbors' allotment-born credit to float his phony mortgages. Finally he went into the wholesale acquiring and juggling of cotton allotments, switching them from lower-yield States like Georgia to west Texas, where they were worth two or three times as much.

Billie Sol could have got almost as far as he did by staying within the law. His allotment juggling, for example, led to what Secretary Freeman dismissed as merely "a lawyers' quarrel" and while the Department soaked him a $600,000 impost for selling bootleg cotton, he may still have made a profit on it.

Turn now from Estes to Freeman. He sees his problem as surpluses, pure and simple: "If we didn't have heavy stocks on hand," he told the Senate committee, "we would not have to have any program of supply management." The surpluses, of course, are in part the result of the magnificent revolution in U.S. agricultural productivity since the war; but they were also stimulated by Government-guaranteed markets and too-high price supports. By "supply management" Freeman means more allotments (Billie Sol's launch pad); his bill would extend them from cotton, rice, tobacco, peanuts, and wheat to corn and other feed grains—crops whose prices have hitherto been supported without rigorous production controls. From about 78 million acres (mainly cotton and wheat) the allotment makers will have 150 million new acres to play with, some in every State.

Farmers who have hitherto merely read about allotments would learn the system at first hand. A few of them, like Billie Sol Estes, might become wheeler-dealers, or victims or conspirators of same. Others, like the tobacco growers, would settle into their little Sabine farms, with guaranteed incomes, smaller markets, less work and a quiet amount of allotment-juggling through the use of kinfolk's names. Wheat farmers, under Freeman's more rigorous system, would find themselves in a new three-price market: one for U.S. mills, one for export and one for feed grains (all prices set by the Secretary of Agriculture).

As for the corn growers, their lot would be puzzling indeed, since most corn is fed to hogs on the farm where it is raised. Corn quotas have been authorized before but repealed because enforcement proved impossible. The one sure result will be a vast expansion in the 100,000 present employees of the Department of Agriculture and a degree of policing and bureaucracy never known before in the Corn Belt.

It is true that the worst surplus problem is in feed grains and that compulsory allotments may bring it under control. But tobacco and cotton are a warning that the whole American agricultural scene can become a gray sea of well-paid serfs and bureaucrats, enlivened by a few free-enterprising crooks. It is not the farmer who is in trouble, it is the Government; yet Freeman would solve (or more likely compound) the Government's troubles at the farmer's expense. Better no new farm law than Freeman's; we would then revert to the 1958 law, which is capable of better administration than it has got yet.

Here are the main steps Life recommends to lead us out of the farm mess. First, we have more farms and farmers than we need; hence that part of Freeman's program that would permanently switch cropland into woodland or park land is on the right track. (Similarly, a few million dollars more to train marginal farmers for other jobs would be well spent.)

Second, present Government incentives to excess production should be reduced and then eliminated; free fertilizer; the built-in incentive in allotments, which invites uneconomic inputs of capital and fertilizer; and, most important, high support prices.

Third, the mixed motives and results of our food-for-peace program, which is often mere surplus dumping, must be straightened out. Last week the Greek Government threatened to cut back its own wheat production because, if it produced less, it would qualify for more free U.S. wheat.

Fourth, Congress should lower the dollar ceiling on what the Department can spend. Its $6 billion budget is nearly half the net of all farmers. (In Ohio, reports the Cleveland Plain Dealer, Government checks are 10 percent of the farmers' gross.)

Above all, the influence of market prices should be reintroduced into subsidized farming. The farmers who earn the greater part of farm income—in cattle, poultry, fruit, vegetables, etc.—get along in a free market and control their own surpluses. Until the subsidized segment is returned to this discipline, the farm problem will not be solved.

Freeman's aim of reducing surpluses is laudable. They cannot be magicked away overnight and neither can price supports. But instead of extending the allotment system Congress should write a law that will extend the free-market system a little more each year until all farming is once more free.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK]

Mr. FINDLEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-two Members are present, a quorum.

Mr. SISK. Mr. Chairman, we approach the end of the regular debate on this bill, and it would seem to me after listening for the last 2 days, anyone would come to the conclusion there were some very serious things wrong with the present program with reference to feed grains, corn, and other similar commodities. I would like at this time to commend the chairman of the House Committee on Agriculture and the other members of the committee for the long and arduous task of putting together the bill we have under consideration today. It seems as though agricultural legislation is about the most controversial legislation that ever comes to the floor of this House and it is amazing to me how many farmers we have in this House when we talk about agricultural legislation. Let me say, Mr. Chairman, I am supporting this bill and I am supporting it on only one premise and that is the fact that the agricultural royalists in this country have for a great many years been the corn farmers. They want an open end program. They want price supports. They want a guaranteed income but they do not want to do anything at all about regulating their supply with reference to the demand. So it is just as simple as this—we either provide an opportunity for the farmers themselves to make a choice in the corn and feed grain area: Do you want to continue to receive the assistance of the American taxpayers, and if you do, you can bring your supply into line with demand. If you no longer—and I am speaking from the standpoint of the farmer—if the farmer no longer wants supports, then he will have an opportunity under this bill, as I understand it, to vote against any program and that will get the Government out of the business, and he can go his merry way which, apparently, is what some of the leadership of the American Farm Bureau say they want—fine and dandy. We are for the first time in 8 years that I have been in the Congress giving him an opportunity to get the Government out and let him go his merry way. And I want to give him that opportunity. But I want to say this. If I am going to continue to call upon my taxpayers, some nearly 600,000 of them in my district, to help support these agricultural royalists, so to speak, then they must do something on their own, and that is—get their production in line with demand and stop the so-called Bille Sol Estes incidents which will continue to haunt us as long as we have to live with the present program.

Mr. Chairman, I would like briefly to comment on the dairy situation. I was most disappointed that this bill did not contain the administration's provision with reference to dairy farmers. I had originally proposed to offer an amendment to this bill to include in the bill the so-called administration or Humphrey bill. I have introduced this bill in the House, but in conversation with the distinguished chairman of the Committee on Agriculture he has assured me that hearings will be held on the dairy legislation.

I desire to do exactly the same thing for the dairy farmers of America that we are attempting to do in this bill with reference to the grain producers in America, give them an opportunity either to get their production in line with demand or else stop this open-end support by the American taxpayers.

The bill which I introduced in the House and which was offered in the other body by Senator HUMPHREY, proposes to do this, to give them an opportunity to vote as to whether or not they want to control their production, and if they do they could go to the polls next March and vote for it. This program, if enacted by Congress, would do the following:

First. Authorize the Secretary to restore milk price supports immediately to the national average of $3.40 which was in effect last year;

Second. Authorize price supports beginning next April 1 and each year thereafter at a level as near to 90 percent of

parity as marketing conditions make feasible;

Third. Permit any milk producer to maintain his marketings of milk at his full normal marketing level of his actual marketings during the 1961–62 marketing year. It is believed that normal increase in demand, together with adjustments in supply through purchase and retirement of normal marketing levels during the transitional stages of the program, will make it unnecessary for any producer to reduce his milk marketings below the 1961–62 level at any time in the future under this program;

Fourth. Provide surplus reduction payments of up to $2.50 per hundredweight to farmers who agree voluntarily to reduce their sales of milk below their 1961–62 normal marketing level;

Fifth. Guarantee that the minimum milk price support floor will not be reduced more than 5 percent of parity in any year even if producers do not approve of provisions for keeping supply in balance with demand.

This program would give dairy farmers the opportunity to protect their net income at the full 1961 level, and to make progressive improvements in their incomes in future years.

Following is a brief account of what is provided under this program for the next several marketing years:

REMAINDER OF CURRENT YEAR—EFFECTIVE DATE IN 1962 TO MARCH 31, 1963

First. Price supports restored to $3.40 level.

Second. Payments up to $2.50 hundredweight for voluntary reduction below 1961–62 normal marketing level.

Third. No penalties on marketings above normal marketing level—but fact that mandatory program will be provided in law to begin next April 1 will keep control on expansion and inhibit slippage.

Fourth. Net dairy farm income would be restored to full 1961–62 level if program approved by producers.

Fifth. No referendum-program effective immediately after enactment.

MARKETING YEAR 1963–64

If producers accept program in referendum:

First. Price supports as close to 90 percent of parity as feasible, but not below 75 percent of parity.

Second. Payments up to $2.50 hundredweight for voluntary reduction.

Third. Surplus marketing fees of up to $2.75 per hundredweight assessed on milk marketed in excess of producers' normal marketing level.

Fourth. Net dairy farm income would be maintained at/or increased above full 1961–62 level if program approved by producers.

Fifth. If producers reject program in referendum, minimum price support floor would be 70 percent of parity.

MARKETING YEAR 1964–65

First. As in 1963–64.

Second. As in 1963–64, if voluntary reductions are still needed to balance supply and demand.

Third. As in 1963–64.

Fourth. As in 1963–64.

Fifth. If producers reject program in referendum, price support floor would be 5 percent of parity below 1963–64—65 percent of parity.

MARKETING YEAR 1965–66 AND THEREAFTER

First. As in 1963–64 and 1964–65.

Second. No payments for voluntary reduction.

Third. Surplus marketing fee assessed on milk marketed in excess of producer's proportionate share of total demand, including foreign and domestic public donations, expected to be equal to or greater than his normal marketing level.

Fourth. Maintain or increase net dairy farm income.

Fifth. If producers reject program in referendum, minimum price support floor would be 5 percent of parity lower each year to 50 percent of parity in 1967 and each year thereafter, or such level as the Secretary estimates will not result in the acquisition of more dairy products than can be used in the national interest, at a cost up to $300 million per year.

COSTS OF CCC PRICE SUPPORT OPERATIONS UNDER TRANSITIONAL DAIRY PROGRAM

Current marketing year, 1962–63:

Assuming present program law remains in force: $550 million.

Assuming program takes effect October 1, 1962: $538 million.

Marketing year, 1963–64:

Assuming producers accept program: $355 million.

Assuming producers reject program: $480 million.

Marketing year, 1964–65:

Assuming producers accept program: $335 million.

Assuming producers reject program: $395 million.

Marketing year, 1965–66:

Assuming producers accept program: $325 million.

Assuming producers reject program: $280 million.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. FENTON was given permission to extend his remarks at this point in the RECORD.)

Mr. FENTON. Mr. Chairman, this bill H.R. 11222 is not just "another farm bill." It is a punitive measure designed to regiment and control the entire production and distribution of food.

Pennsylvania farmers are not asking for high support prices on feed grain; they are not asking for any feed grain supports. Why should they?

Nearly 95 percent of Pennsylvania's farmers feed all of the grain they produce. What value are price supports on grain you grow on your own farm to feed your own livestock?

Then there are many Pennsylvania farmers who do not raise enough grain to feed their livestock. They must purchase additional grain. Why would these Pennsylvania farmers favor high price supports to increase the price they must pay for grain? Farmers' costs are already too high.

A majority of the farmers in my district, and in checking with other Congressmen I find it is true, that the vast number of farmers in Pennsylvania and elsewhere are opposed to this measure.

No farmer, regardless of how small his operation, would be permitted to increase his feed grain acreage above his 1959–60 acreage.

The original small farm exemption was set at 25 acres. Proponents have said, "If you grow 25 acres or less of corn you are exempt." This is a gross untruth.

The bill says, "Principal grains used for livestock feed are corn, barley, grain sorghum, and oats." The bill also includes in a farmer's base acreage wheat fed on the farms. Corn silage has also been included as a part of the feed grain base. So you can see this bill is not restricted to corn for grain but to all corn and all grains that can be fed.

Now, as I understand this farm bill, an amendment would raise the 25-acre small farm exemption to 40 acres.

How are my Pennsylvania farmers affected? Let us take two examples.

The bill says, "Farm base shall be average feed grain acreage for the years 1959 and 1960." The bill further says, "No marketing quota shall be applicable to any farm with a base acreage of 40 acres or less if the acreage does not exceed the farm base acreage."

Example 1: Farm in Berks, Schuylkill, or Northumberland County.

In 1959–60 the farmer grew an average of 10 acres of oats for feed, 5 acres of barley for feed, 10 acres of grain corn for feed, 5 acres of corn for silage, or 30 total feed grain acres.

This farmer's base is 30 acres, not 40 acres. The 40-acre small farm exemption does not really apply because the farmer's base is less than 40 acres.

This farmer has two choices:

First, because his base acreage is less than 40 acres he may stay out of the program, but this farmer cannot grow more than 30 acres even if he expanded his livestock operation. In other words, the farmer has been frozen; he cannot get any bigger; he would not be permitted to grow additional grain on his own farm to feed his own animals.

This farmer's second choice is to enter the program and accept a 20-percent acreage cut in return for price supports. Most farmers in my area feed all of the grain they raise so why would they want price supports or a 20-percent acreage reduction. They would not.

In short, this bill with any exemption, 25 acres, 40 acres, or otherwise, denies farmers who produce less than the stipulated exemption, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

Example 2: In 1959–60, another farmer in my district grew an average of 50 acres of feed grain, which is about average.

Because this farmer's base is greater than the exemption, this farmer has no choice. He would have to comply with marketing quotas even though he fed all of the grain he raised.

This farmer would, as would most Pennsylvania farmers, be forced to reduce his feed grain production.

Today this farmer is growing 60 acres, or 10 more acres than he grew in 1959–60. Under this bill the farmer would be cut 10 acres to begin with, plus whatever the quota reduction was.

So, Mr. Chairman, you can see that under this legislation all Pennsylvania farmers would be seriously affected.

Pennsylvania farmers do not want feed grain price supports; they do not want to bring oats and barley and other feed grains under Government regulation; they are not filling bins with surplus corn or oats or other feed grains; they are feeding their grain to their own animals and ask only that they be guaranteed this American liberty.

Now, one final thought. The majority of my constituents are urban, not farmers. I cannot vote for a bill that will raise the price of food to the people in my district.

This bill incorporates higher price supports. Wheat is now supported at $2 per bushel. This bill would permit the price to go to $2.20 per bushel on a commodity of which we already have too much. Higher support price on wheat means a higher price the miller must pay, and in turn higher bread prices.

This bill would permit corn to be raised from $1.20 to $1.44 per bushel, plus supports on oats, barley, and grain sorghum. As you all know, feed grains constitute the major input that makes the beef, pork, lamb, and poultry we all eat. It therefore follows that if you increase the price of the major input we consumers are going to pay higher meat prices.

In summing up, this bill is a bad bill. It is not good for the farmer, it is not good for the consumer, and certainly when considering all factors, it is not good for the taxpayer.

(By unanimous consent, Mr. DOMINICK was given permission to extend his remarks at this point in the RECORD.)

Mr. DOMINICK. Mr. Chairman, Colorado is a great agricultural State. Coloradans, too, are seriously concerned over the restriction, regimentation and coercive punitive measures which this bill would impose upon American farmers if it becomes law. This concern is being voiced from virtually every area of my State.

The cattle industry in Colorado is a thriving, healthy industry, and it is perhaps significant that the cattle industry has consistently rejected Government price supports and Government controls. In a letter to me dated June 18, 1962, Mr. J. T. Wadlow, president of the Colorado Cattlemen's Association, writes:

DEAR CONGRESSMAN: It is my understanding that the farm bill will be considered this week by the House of Representatives. Therefore, I am enclosing the resolution pertaining to this measure which was passed by our association on June 9, 1962. A roll-call vote was taken on this resolution with the following results: 39 in favor of farm legislation and 3,176 opposed.

I had an opportunity to visit with many of the local associations' delegates, and as the vote indicated, they were to a man very much opposed to this bill. It was their strong feeling that as the bill is being proposed, it will be very detrimental to the cow business because of the way it controls feed grains, diverts crop acres to grass, and so forth.

Therefore, anything you can do to help oppose this measure would certainly be appreciated by us in the cow business. Thanks a lot.

Sincerely yours,

J. T. WADLOW,
President.

Mr. Chairman, the resolution which was enclosed was even more specific in stating the many reasons that the cattlemen oppose this bill. I shall read that resolution for the RECORD:

RESOLUTION ON ADMINISTRATION'S PROPOSED FARM PROGRAM ADOPTED AT THE 95TH ANNUAL CONVENTION OF THE COLORADO CATTLEMEN'S ASSOCIATION, STERLING, COLO., JUNE 9, 1962

Whereas the administration's proposed farm program as contained in S. 3225 which passed the Senate on May 24, 1962, put agriculture squarely in the political arena for dependence on its income; and

Whereas it places the Federal Government in the position of fixing prices by fixing supply, regulating conditions of production and limiting the amount that can be sold from farm or ranch; and

Whereas it further causes Congress to abdicate its functions; and

Whereas it would level farmers and ranchers down to a governmentally determined level; and

Whereas the whole proposal is contrary to our American system of free competitive enterprise and freedom of choice; and

Whereas this bill provides for mandatory feed grain provision with strict acreage control on grain, corn, sorghums, barley, and silage and recognizing that to control feed grain production is to control the beef cattle production: Therefore be it

Resolved, That the Colorado Cattlemen's Association vigorously opposes the passage by Congress of Senate bill 3225 or the passage of the House of Representatives version of the administration's proposed farm program as contained in H.R. 11222 which also permits grazing on diverted acreage; be it further

Resolved, that we reaffirm our position adopted during the special convention on November 7, 1953, at Craig, Colo., where by secret ballot the Colorado Cattlemen's Association opposed price supports and controls for the livestock industry by 202 for and 1,164 against; and be it further

Resolved, That we strenuously oppose any farm legislation or any other legislation that would in any manner cause the livestock industry to be subject to supports and controls; and, therefore, be it further

Resolved, That the Colorado Cattlemen's Association is and has been traditionally opposed to any Government handouts that would place an additional tax burden of many millions of dollars on the taxpaying citizens of the United States, which livestock supports would do as well as materially increasing the cost of beef for the consumer.

Mr. Chairman, as we have seen by the debate here today, the major discussion and greatest emphasis has been placed on title IV. But title I, which provides new authorities for the Secretary of Agriculture in determing and regulating land use and development of recreational areas for the urban dweller and for wildlife protection, has received little attention by many of my colleagues. Title I is being subjected to some sharp criticism, not only from our farmers, but from many other people who will be affected by its provisions. I should like to read for the RECORD a letter I have received from the Colorado Municipal League:

COLORADO MUNICIPAL LEAGUE,
Boulder, Colo., June 11, 1962.

HON. PETER H. DOMINICK,
House of Representatives,
House Office Building,
Washington, D.C.

DEAR PETER: Unless the Food and Agriculture Act of 1962 is amended, there is a risk of establishing a program which competes and overlaps several major Federal programs of significant benefit to local government—including, the area redevelopment program, urban renewal, community facilities loans, and small business loans. It is also possible that unless amended, this bill would encourage urban sprawl by enabling substandard sewer lines to be constructed outside of municipal limits and that industrial parks could also be constructed without regard to the interests of nearby municipalities.

We certainly do not think that any of these developments would be in the best interest of municipal citizens or, for that matter, rural dwellers.

We are advised that amendments to this legislation will be introduced on the floor of the House. We understand that the amendments will take the form of amendments to section 102 of title I and section 501 of title V of H.R. 11222.

We hope that you will wish to support these amendments.

Sincerely yours,

COLORADO MUNICIPAL LEAGUE,
JAY T. BELL,
Executive Director.

Mr. Chairman, I share the concern which is voiced by the Colorado Municipal League in that letter. Such objections add weight to the principal objection which is raised to legislation which seeks to deal with a vast number of complex problems under a single omnibus bill. Especially is this a dangerous practice when we incorporate urban renewal, parkland, and recreational development problems in an agricultural bill.

A considerable number of amendments are needed, in my opinion, before this bill should be accepted by the House. It is my intention to offer three such amendments to title IV. The first of my amendments would simply perfect the language of both the feed grains section and the wheat section to specify that certain oil seed crops may be grown on both diverted acreage and on summer fallow acreage.

My second amendment would prohibit the Secretary from "dumping" vast quantities of wheat and feed grains on the market in competition with the farmer should the farmer vote not to accept the rigidly controlled program which is proclaimed by the Secretary.

My amendment would not restrict the Commodity Credit Corporation completely from disposing of its current stocks. Most of the existing programs to dispose of surplus wheat and feed grains would still be available. But my amendment would make it possible that the farmer could exercise his right to vote in a referendum without the coercive threat of financial ruin through Government competition.

It is extremely important that the farmer have a true choice to make in the referendums which will be conducted. He should be able to make that choice without governmental pressure.

It is important to note that every farmer will not be permitted to vote in these referendums, although the outcome of the referendum will affect every farmer. This is especially true under the feed grains section. Since States which the Secretary classifies as deficit feed areas will neither receive price supports nor participate in the referendums under the bill's present provisions, a portion of the farmers in only 17 States will determine the feed grains referendum. In the Rocky Mountain area, only in 2 States—Arizona and Montana—will farmers be permitted to vote in these referendums. At the present time 33 States are classified as deficit feed areas, and therefore, as the bill provides, the farmers in those 33 States will not be permitted to vote either for or against the Secretary's feed grains proposals. But, farmers in all 50 States will be subject to the penalties prescribed by the Secretary should the farmers in 17 States reject his proposal.

My third amendment would allow some flexibility to the wheat farmer to enable him to partially protect himself against crop failure due to the uncertainties of weather from year to year. The right to store excess wheat without cost to the Government is a part of the present law, but has been omitted from this bill. Such wheat is stored under bond and may not be sold without heavy penalty. It does not affect any marketing quota. It does enable the farmer a small measure of insurance against being wiped out the following year by drought, hail, or other weather phenomena. My amendment would restore this provision to this bill. It is urgently needed. I hope it will be accepted.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, I happen to be a Member of Congress from western Kansas who is vitally interested in a farm bill for several reasons. I am certain President Kennedy in his recent use of the word "sophisticated" desired we approach all problems in a sophisticated manner, but I can assure him that the farmers are less interested in sophistication and more interested in what his program might do for them income-wise. It was on that basis I asked Mr. Freeman, our Secretary of Agriculture, on three different occasions what the farmer's income might be under the bill; in other words, how the farmer might fare. The farmer has an interest in maintaining his income, of course, and the question arises whether or not it would be lowered under this legislation.

On February 19 when the Secretary was before our committee I asked Mr. Freeman how the income would compare under his proposal with the 1961 program. I read his response:

> This becomes a matter of estimate and calculation that is very difficult to pin down and depends on what figure he wants to use.

On March 2, when we had a wide audience on a television program called The Nation's Future, I asked Mr. Freeman the same question. At that time, before this vast audience across the country, I asked him about the income of the wheat producers. He told me then it would be in excess of the 1961 program by about $300 million. That was strange, because he did not know on February 19. He came back to our committee on March 15 of this year, about two weeks after the TV program, and I then asked Mr. Freeman the same question. I asked him why he told me on "The Nation's Future" that the income would be in excess of $300 million more for the wheat producer. This is his answer:

> I said earlier on that program it would be an increase of $200 to $300 million over the 1961 program. We have since been refining these figures.

I submit he has refined the figures to practically zero, because I cannot determine how the wheat producer will maintain his income or anything else under this provision except more control and more regimentation by bureaucracy in Washington.

They talk about how much this will save the consumers. Yesterday we voted to give away nearly $23 million to sugar companies. In the majority report on this bill Mr. Freeman set forth how much will be saved on the wheat program. According to the administration's own estimate, we will save only $29 million over this year's program; so it seems rather strange to me when only yesterday we voted to throw around nearly 23 millions of dollars in the sugar cases pending in court, and took away the right of the court to decide, that today we tell our wheat producers they cannot continue to have a fairly successful program because we want to save $29 million.

The Kansas wheat farmer is like most farmers, he likes to make a living. He also likes freedom and I think this is the crux of the entire matter. There has been a lot of talk on the other side that this is a good bill, "but." There are a lot of "buts" in the bill and I want to point out a few things. The farmers in Kansas farm 29 percent, or less, of their cropland. Let some of the people in the consumer areas go to their drugstores, their grocery stores and factories and tell the owners to board up 71 percent of their drugstores, grocery stores, or 71 percent of their factories, and try to make a living. This is what the administration is asking the wheat farmer of Western Kansas to do. We are to be happy; we are to accept another 10 percent cut, plus an additional cut of 1.3 percent which will be allocated to other States because of a change in the base period. We took a 10 percent cut last year.

Kansas is the largest wheat-producing State in this country. We did plant around 11 million acres of wheat. There are 39 wheat-producing States in the United States. It has been very interesting to me to find out that since 1958 in the State of North Carolina, as one example, the wheat farms have been increased from 75,000 to 78,500. At a time we have been taking wheat acreage cuts in Kansas, raising wheat everywhere else in the country has expanded. Why ask the western wheat producer to cut his acreage and then give these acres to someone else.

In addition, I live in a feed grain area and in a cattle area where farmers like to raise cattle and feed grains to feed their cattle. They are being asked also to take a 20-percent reduction in this commodity. It does not take any mental giant or an economist to figure who takes the brunt of the farm bill here. It is the midwestern farmer. They are going to cut his feed grain and wheat acreage, and still raise his income, so they say. The farmers are told this should make them happy.

With reference to the payments for diverted acres, they are fixed on a declining scale downward. The first year the farmer will receive no more than 50 percent support, the second year no more than 40 percent, the third year no more than 30 percent, and thereafter zero.

This is what you are asking midwestern farmers to do, cut acres, take a declining scale diversion payment, lower our income each year for 3 years, and by that time, if not discouraged enough to give up, something else will happen.

With reference to the "family farmer," we have heard a lot about him.

I am a member of the "family farm" subcommittee and, as far as I know, that subcommittee has never met. It is controlled by the majority side. If anybody wants to help the family-size farmer, a meeting of that committee should be called.

Here is another thing that has not been pointed out. This is not temporary legislation; this is permanent legislation. This could go on for as long as the farmer could stand it, whether it be 1 year, 2 years, or 10 years.

Now, I think the Republicans have made a great contribution to this bill; at least, my farmers think so. When this bill first came in it was filled with criminal penalties. It told the farmers, "Unless you follow orders, unless you keep proper records, you can be fined up to $5,000." It also told the farmer, "If you dare violate the regulations, you can be fined $5,000." I am talking about the wheat farmer. If he failed to keep records, he could be fined up to $5,000. The dairy farmer could be fined $2,000 and put in jail for 1 year. I point this out to mention the original intent of the planners of this bill: Either you knuckle down and follow the dictates of the Secretary and Mr. Cochrane, or whoever had anything to do with this bill, or off you go to jail. Anybody who says it was not in the original bill should read the original bill carefully and then check it with the amended version. The Republican members were instrumental in knocking those provisions out. This was a great contribution; for, if we

cannot defeat the bill, at least we can prevent the farmer from going to jail.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Has the gentleman had any indication from his farmers whether they want this bill or not?

Mr. DOLE. Well, I have not heard from all of them. A few have indicated they would like the bill but very few. I had some letters from Texas, but they do not pertain to the bill.

Mr. FINDLEY. There is a man of considerable influence, Billie Sol Estes. I wonder whether he indicated whether he supports this bill or not.

Mr. DOLE. I do not know anything about Mr. Estes personally, but I imagine he probably would support it as he would benefit by it. This will not help the small farmer. He is the one who is going to be hurt. The family sized—the small farmer that operates 80 or 160 or 300 acres of land will suffer. The man who farms 7,000 or 8,000 or 9,000 acres, will not suffer. It will mean a little loss in income to him but not much. The little farmer is the one who will be hurt.

Mr. JONES of Missouri. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. BASS].

[Mr. BASS of Tennessee addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. JONES of Missouri. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOYLE].

(Mr. DOYLE asked and was given permission to revise and extend his remarks.)

Mr. DOYLE. Mr. Chairman, on June 11, 1962, about 5:30 o'clock, three well-dressed gentlemen walked into my office while I was signing the mail. I had never seen them. They said they were farmers in their own right from the State of Nebraska and that they concluded that their paid Representatives did not represent their thoughts, so they paid their own expenses to come to the District of Columbia. They handed me a statement which was unsigned and asked me if I would read it to the Congress. I said, "I will, if you sign it, and identify yourselves as farmers." Here it is. I have not heard these opinions stated in this debate heretofore. I think this House is entitled to it. I read the memorandum they signed. It is good to receive grassroots opinions when it comes from citizens vitally affected by pending legislation.

Reasons why I am in favor of the administration's farm bill:

1. It protects and improves the farmer's income.

2. Will reduce the surplus.

3. Reduces the cost of the farm program by about $1 billion each year by reducing the surplus and by eliminating additional takeover.

4. Allows freedom of operation for the farmers due to the substitution of wheat acreage for feed grain acreage and vice versa.

5. Diverts the low quality wheat into feed grain channels, therefore, furnishing high quality wheat for domestic and export use.

6. Will stabilize the wheat farmer's income by allowing him to apply overproduction of any one year to underproduction of other years.

7. No alternative, constructive program is available.

WAYNE B. ALLEN,
Route 4, McCook, Nebr.; Vice President, Nebraska Wheat Growers.
EARL T. MOORE,
Arapahoe, Nebr.; Vice President, Furnas County Wheat Growers; Master, Local Grange.
GILBERT GEGAS,
Hayes Center, Nebr.; County Wheat Growers Association.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, I would like to say to the gentleman from California [Mr. DOYLE] that I know all of these gentlemen whom he mentioned. They stopped to see me. We had breakfast with them at the Nebraska breakfast delegation on Tuesday morning, which we have every week while Congress is in session. These fellows came here to sell the entire Congress on this bill. I am glad that they did, because they understand my position firmly. I am against complete compulsion and putting the farmers of the United States under complete bondage, as this bill will, if passed. On that basis, they wanted to visit with every Member of Congress in order to sell the bill, and I would say to the gentleman from California that I am very happy we still have the right to do this.

Mr. DOYLE. And I am very happy they called on the gentleman from California.

Mr. JONES of Missouri. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. McSWEEN].

(Mr. McSWEEN asked and was given permission to revise and extend his remarks.)

Mr. McSWEEN. Mr. Chairman, there has been a great deal of concern expressed about the feed grain section of this bill, and what would happen if the program were not adopted in the referendum. Statements have been made to the effect that if the referendum did not carry, the farmers would be faced with a hammer over their heads in the sense that the Secretary of Agriculture, under the terms of this bill, or, rather, the Commodity Credit Corporation, would be authorized under the terms of this bill to release for unrestricted use 10 million tons of surplus feed grains.

Mr. Chairman, this is a misleading criticism, in my opinion. But, nevertheless, I have an amendment which I think will clarify this point. Under the basic legislation of the Commodity Credit Corporation, that corporation has the authority at all times to release for unrestricted use surplus stocks at 105 percent of the support price, plus reasonable carrying charges. Now, in view of the fact that the feed grains section provides that in the event the program is not adopted in the referendum there would be no support price then under those circumstances, the Commodity Credit Corporation would have the authority to release, if it wanted to, all of the surplus stocks of feed grains. So the provision in the bill restricting the release to 10 million tons is, in effect, a restriction because there are on hand at the present time some 67 million tons of surplus stocks of feed grains..

Mr. Chairman, my amendment, which I propose to offer at the proper time, would provide a change in the situation in the event the referendum did not carry. It would provide that the Secretary would have the authority to set price supports for feed grains at such level, not to exceed 50 percent of parity price therefor, as the Secretary determines appropriate, after the consideration of the factors specified in section 401(b), and will not result in a material increase in CCC stocks of feed grains. It provides further that the CCC may sell for unrestricted use from its stocks during the marketing year not to exceed 200 million bushels of wheat, at not less than 2 percent above the current support price for such commodity, plus reasonable carrying charges. This, then, will be an insulation to some extent of the surplus stocks from the markets so that there would not be this threat hanging over the farmers in the event that they did not adopt the program in the referendum. This, I think, would give the feed grain farmer a fair and reasonable and an equitable choice in the referendum.

Mr. Chairman, if I could obtain the attention of the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], I would like to comment with regard to the issue raised about cross-compliance. There have been some criticisms about this bill with regard to cross-compliance.

On page 46 of H.R. 11222 we find:

(5) a "cooperator" with respect to any crop of feed grains produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe.

This means, to get the price support for feed grains a producer may not exceed his allotment. However, a producer may exceed his feed grains or wheat allotment without losing the price support for other allotted crops.

I think this will clarify any question anyone has with regard to what cross-compliance is as it is affected by this bill. In other words, if he does violate his allotments with regard to other support crops he would not get feed grains or wheat supports, but it does not work the other way around.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Chairman, last February 14 the Secretary of Agriculture appeared before our Subcommittee on Appropriations for the Department of Agriculture. On page 111 the record shows I asked him these questions:

Mr. ANDERSEN. Now, last week, Mr. Secretary, you rightfully—I say "rightfully" because I believe the present feed grain program has made quite a stride—you brought to the attention of the subcommittee the accomplishments of the feed grain program now in affect.

Secretary FREEMAN. Yes, sir.

Mr. ANDERSEN. And you really feel it has done a good job, do you not?

Secretary FREEMAN. Yes; I think the feed grain program has met each of the targets we set when it was presented to the Congress a year ago.

Mr. ANDERSEN. I am very much inclined to agree with your statement that the feed grain program as presently operated meets with the approval of the average farmer and has done considerable good. But if that is the case, why should we upset the applecart for the next crop year and change the program to any extent? In other words, try to convince me if you can. Here, we have a fairly good program working, and I think in the long run, it will do what we are aiming to do, and that is to get rid of some of this surplus and at the same time cut down the cost to the taxpayers.

I think it has met both criteria so far or will meet it in the foreseeable future, but why change?

Mr. Chairman, I think we should support the Hoeven substitute tomorrow as a good solution to this problem.

Mr. HOEVEN. Mr. Chairman, I yield 2½ minutes to the gentleman from Vermont [Mr. STAFFORD].

(Mr. STAFFORD asked and was given permission to revise and extend his remarks.)

Mr. STAFFORD. Mr. Chairman, a funny thing happened when I got back to the office last night. I found a letter on my desk from the Secretary of Agriculture. Now the Secretary and I used to be colleagues in the Governors' conference, and as such we met quite often. But I have been down here 18 months now and this is the first time the Secretary has personally remembered me.

Moreover, he wrote me that he thought only a few Republican leaders were opposing making him czar of America's agriculture and they were acting just for opposition's sake. This surprised me because all of the mail I have received from home and all of the people I have talked to in Vermont have voiced strenuous objections to H.R. 11222.

Mr. Chairman, if this bill passes we will have surrendered the business freedom of the American farmer. We will be living in an agricultural dictatorship subject to regulation and regimentation at the discretion of the Secretary of Agriculture.

Vermont is a major producer of dairy products. We have been especially proud of the fact that the dairy farmers of our State prefer to work out their own problems. They have voluntarily subscribed to funds for advertising their products in the northeast milk markets. They have worked diligently to produce extremely high quality fluid milk.

They can continue to expand their markets and increase the efficiency of their production if the Government will stay out of further invasion of their business freedom.

They do not want this legislation to establish quotas based on 1961 production as a basis for paying them up to $2.50 per hundredweight for voluntarily reducing marketings from 10 to 25 percent. They recognize this for what it is. A lacteal Mickey Finn. They know that if they are foolish enough to partake of this program, the administration hopes these knockout drops will waft them to sleep long enough to take the next step—the imposition of controls over milk production and the exaction of penalties for production in excess of the 1961 base quota.

Mr. Chairman, Vermont farmers prefer to work out their own destiny. They do not want a bribe of taxpayer's money to produce less milk. They want to be sure of the opportunity of selling more milk in the future—if they can develop an expanded market.

They want to be able to raise silage corn on their own farms for their own cattle without dictation from Washington.

Why penalize the family size farm? Let us not put the dairy farmer in a straitjacket. I hope this bill is defeated.

(Mr. CLANCY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CLANCY. Mr. Chairman, we have under consideration today H.R. 11222, and I rise at this time in opposition to this proposed legislation. This legislation moves further in the direction of more and more control of American agriculture. The bill is restrictive and impractical, and will result in drastic regimentation of the farmers of this Nation.

This measure is the administration's plan for expanding the power of the Federal bureaucracy over American agriculture and further destroys the rights of farmers to use and enjoy their farms in a manner consistent with American principles.

I am of the firm opinion that the administration's plan to completely dominate and control agriculture is unwise and will eventually result in hardships to the farmers and consumers of this country.

The program as set forth in this bill will call for additional sums of money from the Federal Treasury and thus add to the burden already carried by the taxpayer.

This program by its very nature adds a considerable amount of money to the cost of wheat that is produced on our farms and ultimately paid for by the housewives and consumers throughout the Nation.

The bill contains several provisions for mandatory bureaucratic control over the production of corn, wheat, oats and other commodities, and provides for the first phase of controlling dairy production.

The objections to H.R. 11222 are many. Price supports are continued in this bill and more stringent controls are provided as to what can be grown and who may grow the various products of our agriculture.

I share the view that our system should recognize the individual farmer and his right to enjoy the fruits of his labor under the free enterprise system, and that our policy should move more and more away from control and regimentation of agriculture.

Mr. HOEVEN. Mr. Chairman, I yield the balance of my time to the gentleman from Iowa [Mr. KYL].

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, we have the unusual legislative situation in which we find ourselves working on a bill which meets almost universal disapproval—an idea born of frustration and yet being sold with great zeal. This is what happens when a man's fancy gets astride on his reason; when imagination is at cuffs with the census; and common understanding, as well as commonsense, is kicked out of doors.

This legislation offers feed grain farmers of the Nation a chance to vote. If two-thirds of the farmers did not accept the franchise system of agriculture, there would be no Government program whatsoever. The chairman of the committee has said that this would cause a chain reaction which would veritably destroy the farm economy and the economy of the entire Nation. There is good evidence that this program would not be adopted and that there would be an immediate cutoff of Federal programs. Assuming that the chairman of the committee is correct—that this cutoff would mean a depression for the entire Nation—are you then willing to vote for a bill which could, and probably would, have this effect? Now there has been an intimation that if farmers voted against this program, they would be selfish. If this is selfishness, then I thank God for it. I am thankful that there are still people in the United States who prize freedom and the American way of life enough to resist the siren call of governmental largess.

All of us would prefer a free, unsubsidized agriculture, and we would work for establishing a healthy economy in agriculture in any way possible, but we have been warned here that the taxpayers will no longer subsidize the farmer in spite of the fact that this farmer has been the bright and shining example of the superiority of our governmental and economic system as contrasted with that of the Soviet and other Communist nations. I believe Mr. Khrushchev would gladly trade many missiles and many military secrets for a few of these farmers who have been called selfish by some proponents of this legislation.

Yes, we have been warned that the American people will no longer contribute to the welfare of agriculture. I would assume then that in the interest of fairness that we would also bring to the floor legislation which would remove Government assistance to all other segments of the American economy which now receive subsidies—the shipping industry, the railroad industry, the printing industry, and all the rest who receive helpful subsidies from the Government.

The American farmer is being warned that we are no longer going to tolerate this payment to him. Yet, we will continue through legislative action next week to subsidize, without any controls, and in many instances without even guidelines, farmers and businessmen and governments on foreign soil. The other body recently tried to remove a subsidy—if you want to call it that—to Communist nations of the world, only to march back downhill at the insistence of our leaders, recalling their previous action and saying no, we cannot cut aid to

these Communist nations; we must take a chance. And shortly after we get this foreign aid legislation, we will have a bill before the House to provide freer trade; and the bill includes many, many pages designed to give relief to industries and to employees of industries which are injured by the impact of imports and, so far as I know, the bill does not even set a maximum limit on the funds which will be taken directly from the Treasury to subsidize the injured industry and the injured employee. And this is significant for two reasons: First, one can make a very valid case supporting the thesis that if it were not for imports of meat products, there would be no surplus of feed grains.

In the case of oats, barley, and rye, the United States has consumed more than it has produced, but the surplus grows because of imports. What I am saying is that the farmers have been injured by imports and the subsidy that they have received can logically be charged to that impact.

I said the farmer has received a subsidy.

Actually, through the control of prices, it is the consumer who has received the subsidy; and I submit that the consumer has saved more in groceries than he has paid in taxes to support the program. But I said there was a second factor in this import situation. Even the most ardent supporters of that trade bill readily agree that Midwest agriculture will have to carry the burden of the freer trade because of Common Market agriculture policies.

This is only one thing we heard on this floor yesterday about the unreasonableness of farmers. The chairman of the subcommittee stated that farmers should expect the same kind of controls which interstate carriers must face. Thus, he told the American farmer: you are a public utility. Ignoring economic facts of life, ignoring the differences between public utilities and other phases of our economy, he said you must expect stringent controls. Now this kind of talk by responsible committee leaders in the House can do little to inspire confidence in independent businessmen throughout the Nation, whether they be farmer or merchant or manufacturer. What does this administration intend to do with business? To the farmer we say you are a utility and must be regulated as such. No consolation here for the workingman because if the Government is going to make the stringent regulations, there is no purpose in a union for there can be no collective bargaining. No, this is not simply a farm problem.

Let us look at some of the other things we were told yesterday. The gentleman from North Carolina tells us of the glories of the control program on cotton and tobacco. And about how well these things had worked in his own State, and this is worth a second look. I spoke this week with a North Carolinian who said that his cotton allotment had been cut again and again and again until he could no longer make a living on the farm. He pointed out that where they had had more than a dozen cotton gins in his little area a few years ago, there was now only one, and it was in trouble. And when these gins closed, there were people who were left without work. But there is another factor he forgot to tell you. While they were taking cotton and tobacco out of production in North Carolina, they increased their production of feed grain by 682,000 tons in the 1959 and 1960 crop-years alone—682,000 tons. Now when we took an acre of corn out in Iowa, we could not plant cotton and tobacco. These acres are idle. The plain truth of the matter is that the southern farmer has been able to supplement his cotton and tobacco income through production of feed grains and livestock at the same time the original feed-grain producer had his hands tied.

Cotton controls—they were a very fine thing for a while at least for the boy wonder of the Pecos. They are a wonderful thing for the Mexican cotton farmer. I spoke to one of these fine gentlemen in Matamoris, Mexico, a few weeks ago. I can quote him almost verbatim. He said you are very foolish, but you have been good to us. You have quotas on cotton; we now produce what you do not produce. Our labor is cheap; we make money. We have made your port the biggest cotton-exporting port in the world with Mexican cotton.

Oh, they have said some interesting things here on the floor. I heard the chairman say we cannot have high price supports. You have heard testimony to the effect that there are too many farmers—too many to share the pie—so some must move. This is what the majority calls saving the family farm.

But you have not heard anyone tell you what kind of a quota a farmer will have on feed grains. There was some testimony by experts that the average farmer would be forced to take a 20-percent cut in production. They say the price will be guaranteed, but they will not tell you what that price will be because they cannot tell you. And yet they say a farmer is selfish if he turns down a proposal which will cut his production 20 percent with absolutely no guarantee that his price will be one penny more. Oh, yes, they say there is machinery for appeals. But anyone who has had any experience with this procedure is extremely dubious. Under the law, if you have mined your land from fence to fence, you get a decent acreage allotment. If you have farmed wisely, rotated your crops, tried to prevent surplus production, you are penalized. If a farm boy put his farm in grass, went away to service, or because he was ill, and he comes back, he has no guarantee of any base acreage. Oh, yes, there is an appeal.

What do we offer the farmer who has a normal production of 100 bushels per acre on his 40-acre allotment, but because he has severe weather conditions produces nothing, or half a crop? We have appeals, and these people have told us we have a Secretary of Agriculture who will do a wonderful job of administering the program. But I wish to remark that this is a long-range program to be administered for a long time by many secretaries. So I ask these proponents who have been castigating the previous Secretary of Agriculture, would you favor this program if that Secretary were now in charge?

How do you know what the next Secretary will like or dislike, or how he will operate? And here again you see, we emphasize government by man rather than government by law. This, too, is frightening. And, finally, we find that the proponents with so little logic to support their views, resort to the old political technique of saying if you do not go along with us, if you cannot compromise with us, then you are obstructionists. They assume all change is progress. They assume—as it is so often assumed in these days—that their idea is the one infallible idea. Just as it was last year, and the year before, and the year before, and they choose to forget that they made the same arguments then even though they admit that they were wrong. They want no cooperation; they want no compromise. They want us to play follow the leader and blind man's bluff. They remind us of the man who said he wanted a new car and his wife wanted a new fur coat, so they compromised. She got the new fur coat and they kept it in the garage.

Jonathan Swift, whom I have quoted before, perhaps offered the wisest summary of the situation today, though he said it two centuries ago:

> And he gave it for his opinion, that whoever could make two ears of corn, or two blades of grass, to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country, than the whole race of politicians put together.

Mr. COOLEY. Mr. Chairman, I yield the remaining time on this side to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I would again call the attention of the House to the fact that the question involved is: How do we deal with the surplus production which the United States is now facing? It is not a question of how we deal with National Defense or something else. The question is, How do we deal with the problem which is now before us?

The problem before us involves something more than a quarter of a billion bushels of feed grains for which there is no market which, if placed on the market, would be converted into livestock or livestock products. It is just that simple.

Basically feed grain is always converted into livestock or livestock products when it goes on the market. What are you going to do with the more than a quarter of a billion bushels—actually it is more than a quarter of a billion bushels, it is around 400 million bushels of feed grains every year—for which you have no market? The U.S. Government has been taking it and putting it in warehouses, paying storage on it, and it is still paying storage on it. Are you going to increase the amount which is going into the warehouses each year? Are you going to continue to keep that which is presently in the warehouses?

If you vote against this bill that is what you vote for, because if you kill

this bill you are not simply voting that we not pass this measure but you are voting to bring back into operation the discredited Benson program of 1958. I want everybody to understand that—that if you vote this bill down the Act of 1958 automatically becomes effective again, and it provides for supports on feed grains to be from 65 to 90 percent of parity on unlimited production.

That means, of course, that the Secretary will probably cut supports down to 65 percent of parity. That is not enough to make agriculture prosperous but it is enough to keep people in the business, keeping them on the starvation level, lowering the level of the U.S. economy, and at the same time building up surpluses at the rate of 400 million to half a billion bushels a year of feed grains on which you have to pay storage.

I understand that our Republican friends over here are going to be able to explain why they voted to continue this unnecessary expense—but I am not, and I am not going to try—I understand they are going to be able to explain because, they say, they have no responsibility, that there is no responsibility on their part except to hold secret meetings to be leaked by some former assistant to the Secretary of Agriculture, in which they agree that there is no responsibility on the Republican Party except to try to embarrass the administration.

This attitude of irresponsibility is in the record. It is in the reports. It is in the findings of the investigating committee. It is in the letter written by Mr. Martin Sorkin. No one has denied it and the record of yesterday and today certainly confirms it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is that not exactly the position the minority took in our committee, and after the vote was over, and I said so, they had been negative and irresponsible?

Mr. POAGE. You did, Mr. Chairman, you pointed that out. We did not at that time know that they had entered into a secret agreement; that they would not offer anything constructive. But we know today and this debate today has proven it beyond any question. You have not heard one word of constructive suggestion. You have heard nothing but criticism. You have heard carping criticisms and you are going to hear more, but you have not heard our Republican friends explain how they were going to stop the buildup of unneeded surpluses.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry, I cannot yield, Mr. Chairman.

Mr. HOEVEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOEVEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fifty-one Members are present, a quorum.

The gentleman from Texas is recognized.

Mr. POAGE. Thank you, Mr. Chairman. This is the third time in 2 days that the minority has done me the compliment of trying to get a quorum to hear what I have to say, and I am delighted that they so appreciate my comments.

Mr. Chairman, we are going to have a substitute offered. We have not seen that substitute. We do not know what is going to be in it except we are promised it will be an extension of the existing temporary law, the law that the leader of the minority voted against just last year—the law they then said was bad.

I just want to point out the utter irresponsibility—now they come up here and talk about responsibility—the utter irresponsibility of a group of Congressmen who will come in here and talk about how they are trying to protect the taxpayer, and then vote against the only program which has been offered to reduce the accumulation of a very substantial and unneeded surplus.

I want to call your attention to one more thing and then I will conclude. It has been charged that these surpluses somehow are needed by the livestock industry. The livestock industry has a greater stake in stabilizing feed grain supplies than any other segment of American agriculture because the minute you produce excessive surpluses of feed grains, you know that sooner or later you are going to have those surpluses converted into surpluses of livestock, and the price of livestock is bound to be reduced just as your feed grain prices are reduced.

I leave you with this thought. Every one of you farmers and livestock producers answer for yourselves. If we can assure you, as the minority program of a return to the Benson Act of 1958 would assure you, that for the next 2 years the price of corn will be down to 50 cent a bushel, then we can assure you that the price of calves will be down to 15 cents a pound. Cheap corn makes cheap hogs, and in just a little longer time, cheap feed makes cheap livestock of all kinds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Iowa has 40 seconds remaining.

Mr. HOEVEN. Mr. Chairman, it is rather amusing to me to have the gentleman from Texas [Mr. POAGE] make the statement about my vote on the feed-grain bill last year. In my colloquy with the gentleman from Tennessee [Mr. BASS] I stated that I did vote for the conference report on the feed grain bill after section 3 had been eliminated. Therefore, it is incorrect and unfair to charge that I voted against the bill.

I am also interested in an item I just read on the ticker tape as follows:

> The Kennedy administration today set up lobbying headquarters a few feet from the House floor in an attempt to line up votes needed to enact the toughest Government controls ever imposed on grain farmers. Installed in the headquarters—behind closed doors—were Agriculture Secretary Freeman and President Kennedy's top legislative troubleshooter, Larry O'Brien.

I was opposed to section 3 of the bill because it gave the Secretary of Agriculture the authority to dump surplus grain at 17 percent below the support level for corn. The conference committee struck section 3 and thereafter I voted for the conference report. So let us keep the record straight.

Apparently the White House has moved the "Rose Garden" to the Halls of Congress, I understand that majority Members are being called into the "holy of holies" to receive their instructions.

Mr. WEAVER. Mr. Chairman, the House has before it today a bill which is both controversial and essential to the welfare of the country. Much of the controversy has been removed from the bill through amendments. It still, however, contains areas where sincere men can find room for honest disagreement. Before we are through, the House will be asked to cast one of the most crucial votes of the session. I sincerely hope that H.R. 11222 in its present form passes.

H.R. 11222 is by no means a perfect piece of legislation. I don't think we could write a bill which pleases everybody, every farmer, every rancher, every farm organization, or every taxpayer. The man who can devise that piece of legislation can retire and take his place with Solomon and Moses and the great lawgivers of history.

However, in H.R. 11222, we do have a program. We are offering something. We are attempting to fill a void and a vacuum which have existed for far too long in the field of farm economics.

The farmers of today in the great Midwestern breadbasket are hurting. They are hurting hard. They have seen their once-prosperous position vanish. They see in their own willingness to work and labor their undoing. Every extra hour spent in the fields means the farmer is drawing just 1 hour closer to destruction. They have the feeling that every extra effort is pushing them closer to doom. In short, they feel that they have embarked on a long fool's errand to extinction.

Americans take great pride in our abundance. One of our great patriotic songs, "America, the Beautiful," makes note of the "amber waves of grain."

And yet this very abundance has come to haunt us. And those who have made this abundance possible are the ones who have been forced to suffer the most for their efforts.

Costs of farming have risen sharply as our production rate has risen. In the years since World War II all of us have suffered from the eroding influence of inflation. But none has suffered as badly as has the American farmer. Industrial workers, officeworkers, Government employees—and Members of Congress—have all been able to meet the rising costs of living through wage and salary increases and adjustments.

While these costs have gone up, and other segments of the economy have been able to cope with them, the farmer has

not. His prices received have remained steady or have declined during the postwar years.

Industrial profits have risen. The profits of service companies have gone up. All segments of the economy have shown marked gains, with the sole exception of commercial agriculture.

This is a strange phenomenon since the welfare of the Nation as a whole depends directly on farming. We cannot grow and prosper unless we have a vital, competent and active farm base. New York cannot continue to prosper unless the farmers of Richardson County, Nebr., prosper. Our industrial economy still must have its roots in agriculture or it will collapse.

Additionally, American agriculture is the largest single customer of American industry. Farmers use more petroleum products than do truckers, for instance.

These basic facts must be understood if we are to come to a realistic understanding of the problems of farming—and what those problems mean to a dynamic and growing American economy.

Much has been made by some economists of the fact that our national economic growth rate has slowed down. Could this not be traced, one wonders, to the fact that the very basis for all economic growth—agriculture—has fallen on hard times during the past 15 years and faces such a bleak future.

Our problem in the Midwest is not like that of some other sections of the country. In cotton, for instance, one of the basic problems is that there are substitute fibers developed by chemists which have taken away much of the market. The chemists have not yet found a substitute for bread and meat.

Our product is in demand. The Nation needs food. But where we have run into trouble is in the fact that we can easily, using few people, produce more than enough food for our entire population. Agriculture has become so economic and the return on time and labor in the way of crop production has become so large that we have developed, despite everything, an overabundance of food.

The current situation is by no means new. We have been doing it right along since the end of the war. And during these years many schemes have been proposed and quite a few tried to solve the problem of keeping production in line with demand and income at a reasonably high and stable level.

None of these schemes has worked. We can recall with regret the Benson years when, we were told, a sliding price support—which always seemed to slide down—and acreage reserve or soil bank programs were the solution. The result has been fantastic growth of grain storage elevators throughout the Midwest—and an equally fantastic growth of weeds in the retired acreages.

It has also resulted in rapid growth of the fertilizer industry.

Also these programs have made it possible for the growth of such evil practices as those of one Billie Sol Estes down in Pecos, Tex.

Although the Estes scandal is not in Mr. Benson's lap, the programs he espoused and pushed made Estes possible.

The unpleasant activities of this young man in defrauding his neighbors and mulcting businessmen with whom he had dealings are in themselves bad enough. The fact that he was able to pull off this gigantic fraud and hoax through the use of tax dollars is even worse. It is shocking to know that money which the general public assumed was going to the farmers of the country was actually lining the pockets of a scoundrel like the man from Pecos.

The general public by now is aware of another unpleasant fact. There are literally thousands of nonfarmers who are also benefiting from these Government-sponsored farm programs. They are doing business honestly and do not give in to the gnawing greed as did Estes but they are still making money through these farm programs while the farmers are not.

A great proportion of the money appropriated each year to the Department of Agriculture does not go to the farmers. It goes to the storage people, the elevator operators, and the handlers of grain.

To me, this was the biggest mistake of all past programs, this decision to build up our storage capacity and to pay such high storage rates on grain.

It is my firm conviction that if we are to spend good tax dollars on a farm program, then by rights that money should go to the farmers.

In this bill we have a program which attempts honestly to do just that—to put the money where it belongs, in the farmer's pocket, not that of the storage men and the handlers of grain.

We in the Midwest are particularly interested in two commodities—wheat and feed grains; that is, corn, barley, rye, oats, and grain sorghums. These two categories of commercial grain are treated in this bill in a way in which the farm organizations that serve only these two segments of agriculture themselves want to be treated.

Now, we have heard much during the course of this discussion about this being a shackles placed on the American farmer. We have heard much about it being a bill to steal away his freedom. We have heard about compulsion, and blackmail, and worse.

I would like to point out that the commercial grain farmers involved are under no compulsion in this. There must be a referendum. Two-thirds of the farmers voting must support the program before it can go into effect. This is important. It takes more than a mere majority—a two-thirds majority must approve.

The farms in this way can decide their own fate.

Mr. Chairman, it may surprise some Members of this body to know that the two organizations in Nebraska which represent only wheat and feed grain farmers are both solidly in support of this bill.

I have received not one or two, but a dozen delegations of wheatgrowers in my office. And they have pleaded with me to support this program as being their only hope. I have visited with the wheatgrowers in previous years and have worked with them—and each time it is this program which they have advocated in one form or another.

I have visited with representatives of the Feed Grain Growers Association of Nebraska and they, too, have pleaded with me to support this bill.

I grant you, Mr. Chairman, that I have received mail from the district urging me to oppose this legislation. But the bulk of that mail bears a city street address—not a rural route number.

And none of that mail, and none of those telegrams is as simple and to the point—and as sincere—as one I received last week from a constituent in Western Nebraska. The telegram said:

> Vote yes administration farm bill. I am weary of being cussed for overproducing.

Last year when the emergency feed grain program was before the House I heard dire predictions from many that this would be the ruination of the American farmer, that it would not work, and that it would not be supported by the farmers.

I listened to those predictions; but I also listened to farmers themselves and they told a different story. Since this involved farmers, I took their advice and supported that program.

We now find that many of those who in 1961 were extremely opposed to the feed-grain program now advocate that program instead of the present administration bill. They have found that the program does—at least to a limited extent—work. They have found to their surprise a great deal of support for the program. I believe that it will be offered as a substitute for H.R. 11222, and if it is the will of the House that it be written into law instead of the committee bill, I shall, of course, support it.

However, I would like to point out that the emergency program is just that—an emergency program. It is not by any means the solution and it has not worked 100 percent perfectly.

The reason it has not been 100 percent successful in cutting the surpluses and increasing farm income is simply because it is not 100 percent adhered to by farmers. Although the signup under that program has been amazingly large throughout the feed-grain area, there are still many farmers who have chosen not to come under the program.

While the farmers who have cooperated have been cutting back their acreages and cutting their production, those who chose not to comply have planted to the fences and have increased their production. While none of this excess production is supported, in itself, by tax dollars, it is sold on the market.

Now every bushel of corn sold by a noncompliance farmer on the open market diminishes that market by a bushel of corn, and it means that the Government will have to buy, with tax dollars, a bushel of corn from a compliance farmer.

Everyone agrees that if we are to have a price support program of any kind,

there must be some control. The argument here is over the degree of control, not the question of control itself.

The farmers who have been growing tobacco, peanuts, rice, and other products for quite some time supported a tighter degree of supply management than the grain farmers have had available to them. They have been able to live and prosper with these programs and some of the groups and individuals who most bitterly attack the present bill would just as strongly support the tobacco and peanut provisions of existing law and would violently oppose any changes.

It would seem to me, Mr. Chairman, that this legislation involves the old cliche about having cake and eating it too. We cannot have price supports and permit at the same time reckless and irresponsible production of crops already in surplus. We have tried that and it has resulted only in a drain on the Treasury, a burden to the taxpayers and potential disaster to the farmers of the American breadbasket.

If we are to have any form of price support at all, we must control production through a supply-management system. The two go hand in hand.

The question, in essence, before the House today is not a question of controls versus no controls; it involves the question of survival of American grain farmers and the industries which depend upon those farmers. The alternatives are not complete freedom versus regimentation—although that is the emotional rallying cry of those opposed to this bill. The alternatievs are a healthy, vigorous and growing farm economy versus complete chaos.

The warning has been issued and it ought to be repeated, chaos in agriculture will create a completely bankrupt American economy. If we permit our farmers to go under, our great industries will follow, and with them, our urban population.

Our choice this week is between a sound supply-management program—and disaster.

Mr. COOLEY. Mr. Chairman, when hearings were being held by the House Committee on Agriculture on the bill now under consideration, many presidents and other executives of private power companies, across the country all the way from Colorado to Alabama, appeared before the committee and testified and complained that REA had approved many ill-advised and unwise loans which resulted in unfair competition to privately owned power companies.

These officials further complained that applications for REA loans by electric cooperatives were shrouded in secrecy, and they further testified that privately owned power companies, in many instances, were prepared to provide and furnish electric power in the areas affected at a much lower cost than such power could be provided by REA operated generating plants. At the time these officials of privately owned power companies appeared there were provisions in the bill dealing with REA.

In executive session all provisions of the bill then under consideration relating to REA were stricken out. Since much time had been consumed and many complaints had been submitted and considered and especially so much had been said about secrecy in star-chamber sessions, I felt that something should be said in our committee report concerning the matter.

Frankly, Mr. Chairman, I do not believe in star chamber sessions and secret meetings when public funds and functions are being considered. So, I prepared an amendment which if adopted would have provided for open hearings on all applications for REA loans—hearings which would have required REA to make full disclosure of all pertinent information in each application for an REA loan.

Upon further consideration, and after a discussion of the amendment with the Administrator of REA, Mr. Norman Clapp, and after submitting the proposed amendment to Mr. Clyde Ellis, general manager of National Rural Electric Cooperative Association, and after a discussion of the matter with REA officials in my own home State, and after obtaining their views, I decided not to propose the amendment.

After I had drafted the amendment, I first submitted it to Mr. Ellis and asked him to consider it and give me the benefit of his views. I then delivered it to Mr. Clapp in the committee room and requested him to consider it and to give me the benefit of his views. As I have said, after these discussions and after I had received the views of Mr. Ellis and Mr. Clapp and others, I decided not to offer the amendment.

I concluded that it would not be wise and it would not be well for us to force REA to disclose to private power companies technical and engineering information, studies, research and conclusions which REA had, at its own cost, obtained. This would give the power companies a decided advantage and would enable the private power companies to underbid REA and thereby handicap the operations of the Rural Electrification Administration.

After the committee report was filed, officials of REA seemed to be very greatly disturbed. All of this occurred because these officials did not understand fully just what had happened in the committee. On June 15, 1962, I wrote a letter to a very close personal friend of mine, Mr. Walter E. Fuller, executive manager, Tarheel Electric Membership Association, of Raleigh, N.C., and here I submit a copy of that letter:

JUNE 15, 1962.

Mr. WALTER E. FULLER,
Executive Manager, Tarheel Electric Membership Association, Raleigh, N.C.

DEAR WALTER: I regret that apparently there has been some misunderstanding concerning my views on requiring REA to conduct public hearings and to make a full disclosure of information contained in the application for loans. You will, of course, recall our meeting in my office in Nashville, at which time the matter was discussed at great length. I thought that I made my position perfectly clear at that time. The amendment, copy of which I gave to you was completely abandoned by me and was not offered in the committee nor indeed was any other amendment relating to public hearings considered by the committee. One amendment was offered but I ruled it out on a point of order.

Since our meeting in my office this morning and since we have further discussed the matter, I concluded that I should write to you and restate my views concerning the important subject of public hearings by REA.

On the question of public hearings by REA on applications for loans for electric generating plants, I have said and I repeat that I do not think REA should be required to hold public hearings which would require REA to make available to private power companies information which REA has, at its own expense acquired, concerning engineering studies and research and reports.

Before asking a loan to a rural electric cooperative for an electric generating plant, I think the REA Administrator should be convinced that private power companies have had an opportunity to offer to provide the power to the rural electric cooperative under a wholesale contract and if the REA does not make a generating loan it should require and determine first, that the loan is necessary in order to assure a rural electric cooperative of adequate and dependable low-cost source of power; second, that engineering studies indicate that the rural electric cooperative can generate its own power cheaper than it can be purchased on a wholesale contract from a private power company; and third, the Rural Electrification Administration should determine that generation and/or transmission facilities are necessary to protect the security and effectiveness of a REA-financed system and assure the rural electric cooperative of a continuing and dependable source of wholesale power sufficient to serve all the needs, loans and requirements of its members.

It is, of course, entirely appropriate and proper for rural electric cooperatives to make loans to its members for the purchase of electric wiring, appliances, water systems, milk equipment, electric crop drying and processing equipment, since those items are part of the normal electric appliances and equipment of its members and contribute to a better rural living for its members, add to the use of electricity, strengthen the rural electric cooperative financially and help assure funds with which to repay REA loans provided by Congress.

As the need for electric power increases in rural areas in which REA cooperatives are operating, it is, of course, appropriate for REA to make loans for economic and community development in such areas.

With kind personal regards and cordial good wishes, I am,

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

After some controversy arose over statements contained in the report on the farm bill, I submitted the language of the report to the House Committee on Agriculture and the language in the report was unanimously approved.

Mr. Chairman, I am not aware that any committee report has ever been amended, altered, modified, or changed.

Mr. Chairman, I do believe that when an application for a REA loan is submitted, officials of REA should notify private power companies operating in the area of the application for the loan, of the place and the purpose for which the loan will be used and private power companies an opportunity to present views,

conclusions and proposals concerning service and rates in the area. I have been assured by officials of REA that power companies are given such notice and have always been provided an opportunity to submit their own proposals. I am also assured by officials of REA that applications for loans are not enshrouded in secrecy and that power companies always have been given an opportunity to present their views and contentions.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be read by titles.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

Mr. CHELF. Mr. Chairman, I move to strike out the last word and ask unanimous consent to address the House for an additional 5 minutes.

Mr. HOEVEN. I shall not object, but I hope this is not a precedent.

Mr. CHELF. I am sure it is not.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COOLEY. Mr. Chairman, I thought the bill was to be read by title.

The CHAIRMAN. The Clerk read the first sentence. We have not got down to the first title yet. The gentleman from Kentucky has moved to strike out the last word of the first section.

The gentleman from Kentucky is recognized for 10 minutes.

Mr. CHELF. Mr. Chairman, I am intensely interested in this legislation and for good reasons. My old congressional district comprised 17 counties. All 17 were rural, agricultural, and the salt of the earth good people. In the new redistricting of Kentucky I have a portion of my old rural section plus an additional group of fine counties. Out of the present 19 counties in my new district, 16 are rural and 3 are urban. Just across the river from Cincinnati are the counties of Kenton, Campbell, and Boone, so that approximately one-half of all the nearly one-half million people in the new district live in these three counties. Therefore, I am interested in how this bill will affect both my farmers and my housewives' budgets. I would like at this particular time to address some questions to the chairman of the committee, the gentleman from North Carolina, that I may be able to give absolute, positive, and unequivocal answers for the guidance of all my fine people, both on the farm and in the cities. For the purpose of the record I want to know, is it true that if we do not enact this legislation, we will automatically revert to the old Benson farm program that ran our surpluses from about $2 billion in 1953 to almost $9 billion in 1960, when the present administration took over?

Mr. COOLEY. Yes, we are so assured.

Mr. CHELF. I would like to ask, secondly, this question: Will this program save the taxpayers of America $1 billion a year?

Mr. COOLEY. We are assured that it will.

Mr. CHELF. Is it the purpose of this legislation to apply to grain, wheat and feed grains the same program that has worked so successfully in the case of tobacco, rice, cotton, and peanuts?

Mr. COOLEY. Exactly so.

Mr. CHELF. The Secretary of Agriculture yesterday—and I sent for him, he did not send for me—he came to my office at my request, and told me that this program on feed grains and wheat would cost the public $600 million less for 1963 crops than the voluntary program now in effect. Is that substantially correct?

Mr. COOLEY. That is the estimate given to our committee by the Secretary of Agriculture. It is somewhere near accurate.

Mr. CHELF. Mr. Secretary Freeman also informed me that if we did not enact a new farm program—and soon—that we would eventually undermine our entire farm program—including our splendid tobacco allotment program that has been such a wonderful success and often used as a model of what can be done for the farmer.

I would like to ask the gentleman from Texas [Mr. POAGE] of the Committee on Agriculture, this question: In response to an inquiry made by me of Secretary Freeman on yesterday, I was informed by him first, that under this bill the 4-year operation savings to the public would amount to $4 billion. Is this true?

Mr. POAGE. It seems to me that is bound to be true. We are reducing the intake of surplus commodities. We have been taking these in at the rate of 400 million bushels of feed grains and approximately a quarter of a billion bushels of wheat every year. If we can reduce that, we can make that saving.

Mr. CHELF. What effect will this bill have on my dairy farmers? We are the milk shed of Louisville. We have Oldham County, Bullitt County, Shelby, Spencer, Hardin, Nelson, and in fact all counties surrounding Louisville, Ky. Again I ask, what effect will it have on my dairy people?

Mr. POAGE. It will give your dairy people the opportunity to reduce their milk production, instead of putting all of it into Government warehouses. At the present time the U.S. Government guarantees your milk producers about $3.10 a hundred for the milk and guarantees it by purchasing the products of the milk; that is, cheese, butter, skim milk, and so forth. It costs the Government about $4.80 a hundred to do that.

Instead of spending that $4.80 a hundred, this bill provides that if your dairymen want to reduce their production by 100 pounds, the Government will pay $2.50, which is a saving to the Government of about $2.30, rather than letting him produce it, then the Government buy the surplus. He will get $2.50 in cash rather than spending $3 to $3.10.

Mr. CHELF. Is it true an amendment will be offered to takes oats out of this bill?

Mr. POAGE. It will.

Mr. CHELF. Is it true an amendment is planned to increase the present exemptions from 25 acres to 40 acres on feed grains in order to take care of the small farmers?

Mr. POAGE. I understand such an amendment will be offered.

Mr. CHELF. I would like to read a letter from one of my fine little dairy and tobacco farmers who resides in Shelby County. The gentleman from Texas has been most helpful and I would appreciate his further cooperation. I read as follows:

My husband and I operate a 206-acre dairy and tobacco farm. * * * With the high cost of labor and farm equipment, the margin of profit is extremely slim. We raise sufficient corn, oats, and so forth to feed our dairy stock. We raise none to sell. We only meet our own needs. If the agriculture bill on feed grains passes the House, according to law we would be required to cut our corn acreage even though we do not market said corn. Such laws may be desired by many, but for us would be almost fatal.

I ask you to consider such farmers as us when you cast your vote for this proposed Freeman-Cochrane bill.

Mr. POAGE. The lady did not tell us how much corn acreage she has been growing. It may be if she has a 200-acre dairy farm she probably has not exceeded 40 acres of corn, a substantial amount. Certainly 80 acres would be more than you would expect on a dairy farm of that size. If the oat amendment is adopted, and I trust it will be, the probabilities are strong that even with the 25-acre limitation against it, which is in the bill, which will not be cut, certainly 40 acres, which is to be proposed, would not affect her one way or the other. It simply would give her a better price for her milk.

Mr. CHELF. Is it true that an amendment will be offered to exempt silage on its present allocated basis?

Mr. POAGE. Yes.

Mr. CHELF. If we can reduce our present surpluses in an orderly disposition on the market, can we weed out the Billie Sol Esteses that have given our farm program a bad name and created such a stench in the nostrils of the taxpayers?

Mr. POAGE. Of course nobody can tell for certain that we will get rid of other Billie Esteses. The thing that enabled him to do business at such a profit was the storage matter. If we had not produced the huge surpluses he would not have had the opportunity to go ahead as he did. If it were not for the storage program there would not be any opportunity to build these magnificent warehouses that Mr. Estes built. When we stop the accumulation of that surplus grain, there will not be an opportunity for anybody else to get into that field, and under those circumstances you will stop a repetition of that sort of thing.

Mr. CHELF. What effect will this legislation have on the housewife's pocketbook?

Mr. POAGE. I think that this legislation will have about the same effect that legislation of this type always has, and that is to stabilize prices and to keep them as near where they are as we can expect. If we, on the other hand, allow unlimited production, obviously we are going to have great fluctuation in prices. Those things always hurt the housewife; they never help the housewife, because the housewife never gains when the farm price goes down, as we have seen with our experience in wheat. When wheat sold for $3 a bushel, bread sold for 11 and 12 cents a loaf. When wheat sold at $1.18 a bushel, bread sold for 24 cents a loaf. So, we can anticipate with stabilized prices the housewife will not be faced with additional charges that she would have been faced with if we do not pass the bill.

Mr. CHELF. Is there any question or doubt in your mind that this bill will not greatly cut down our vast surpluses?

Mr. POAGE. There is no question about that.

Mr. CHELF. Will it save billions of dollars for the taxpayers?

Mr. POAGE. It will, unquestionably.

Mr. CHELF. Strengthen the economy of the Nation?

Mr. POAGE. Yes.

Mr. CHELF. Improve the economy of our farmers?

Mr. POAGE. Yes.

Mr. CHELF. Help the housewife's budget and give a better break to the little farmer?

Mr. POAGE. Yes.

Mr. CHELF. Last but not least, does this legislation give our farmers the right in a referendum in August to vote to adopt or to completely reject this entire plan?

Mr. POAGE. It does, indeed, and it requires two-thirds of the farmers voting to vote in favor of it before you can have any controls under this bill. Anybody who believes sincerely that the farmers are opposed to this kind of regulation certainly would want to give them a chance, because it will take two-thirds before you can impose any kind of regulations.

Mr. CHELF. I know this type of program has worked very well indeed with our tobacco farmers. It took a lot of courage on their part to ask the Congress to cut their acreage and their tobacco bases but all of us who have the honor to represent our tobacco farmers knew that it had to be done in order to save the entire tobacco program no matter how distasteful and how difficult it was at the time. Thank Heaven we came in and voluntarily asked this House and the other body that our allotments be cut because we have about whipped the dreaded nightmare of our surpluses. As a result, our tobacco farmers today are producing less and receiving far more than ever before in cash at the tobacco auctions each year. I sincerely trust that we have the courage to give the farmer and the complete farm program an opportunity to at least vote it up or down. If certain amendments are adopted to this legislation, I believe that I can support it. Again let me thank my friends from North Carolina and Texas for their most intelligent and honest views.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I would like to get into this question-and-answer act for just a minute, and I would like to address a question to the gentleman from Texas [Mr. POAGE]. Incidentally, I do not have a long list of prepared questions such as we have just heard. I would like to ask the gentleman: Do I understand that you are a farmer?

Mr. POAGE. You understand that I am a windshield farmer, Mr. GROSS.

Mr. GROSS. And there are other farmers, as I understand, who have spoken on this bill, who are engaged in operating farms. There have been several, have there not?

Mr. POAGE. Those who are engaged in producing feed grains will have the opportunity to vote on the feed grain referendum and those who are producing wheat will have the opportunity to vote on the wheat referendum.

Mr. GROSS. And it is your contention that this bill will increase the income of farmers; is that correct?

Mr. POAGE. I think the bill clearly increases the income to farmers, because if you do not have this bill, you are going to have the Benson bill, and you know what that means.

Mr. GROSS. I would like to call the attention of the gentleman from Texas [Mr. POAGE] and other farmers who have spoken on this bill, to rule VIII of the House of Representatives:

Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the last word.

(Mr. BASS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. BASS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. HOEVEN. Mr. Chairman, I served notice that I would object, and I am compelled to object.

The CHAIRMAN. Objection is heard.

[Mr. BASS of Tennessee addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Clerk will read.

Mr. FINDLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FINDLEY. Mr. Chairman, would it be in order to offer an amendment at this time to title I?

The CHAIRMAN. The chair will state to the gentleman from Illinois that such an amendment would not be in order until title I has been read. I might remind the gentleman from Illinois that the bill will be read by title.

The Clerk read as follows:

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. Section 31 and subsection (e) of section 32 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, are amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil

erosion, reforestation, providing public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

"SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: *"Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed two-thirds of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes; *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 105. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 106. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 107. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows: *"Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

Mr. COOLEY (interrupting reading of title I). Mr. Chairman, I ask unanimous consent that title I be considered as having been read and open for amendment at all points.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWEEN: On page 2, line 24, insert after the word "them" and before the word "for" the following: "and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act)".

Mr. McSWEEN. Mr. Chairman, this is actually a minor perfecting amendment. Its only purpose is to restrict the purpose of section 101 of title I to the promoting of conservation and economic

use of land with regard to land that is regularly used in the production of crops. This is in keeping with the theory of the legislation to reduce the surplus production.

Mr. Chairman, I ask that the amendment be accepted.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. Do I understand that under the gentleman's amendment the authority of the Secretary will be applicable only to those lands that are in cultivation of these particular crops insofar as the agreements are concerned for land use purposes?

Mr. McSWEEN. The gentleman is correct.

Mr. HARRIS. If the gentleman will yield further, in other words, if the land has not been cultivated in these particular crops; that is, wheat or feed grains, corn, barley, and so forth, then the Secretary cannot agree to pay them for a different use; is that true?

Mr. McSWEEN. As the amendment says, this will include crops; also tame hay, alfalfa, and clovers which do not require tillage, and include lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act.

Mr. HARRIS. If the land has been laying out, he cannot enter into an agreement with him?

Mr. McSWEEN. That is right.

Mr. COOLEY. Mr. Chairman, I cannot speak for the committee, but personally I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. McSWEEN].

The amendment was agreed to.

(Mr. JOHNSON of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, once again, we are weighing the important question of what long-range legislative changes are needed in 1962 to keep our American system of agriculture the best in all the world.

I have been alarmed over the past decade at the inability of some people to understand the urgency of bringing about a reasonably effective management of our ever-increasing farm productivity. I say to you, if we do not act now to solve this problem, we are endangering the whole structure of family farming in America.

It is to me a sad fact that there are those among us who seem to attach no particular importance to the question of whether the family farm survives or not. They are so lacking in their sense of history that they are willing to give up this basic pattern of farm life which has contributed so much to the true free enterprise character of our American economy, and so much to the building of a rugged, self-reliant, free people.

They seem to have no insight or appreciation of what is happening to agriculture or its meaning to the millions of people whose way of life is family farming, or its implication for the stability and the destiny of our Nation.

Mr. Chairman, unless we act now to pass this long-range legislation, we will wake up some morning and find that the family farm has been replaced by a vertically integrated corporate system of agriculture in which the man who once tilled his own soil will have become a landless, seasonal migrant worker.

To continue patchwork and temporary programs only prolongs the problem and discriminates against the thousands upon thousands of farmers who are conscientiously attempting to work with the Government in achieving a realistic balance between supply and demand.

We made some progress in 1961, but it is far from being enough. There are still millions of farm people in serious economic condition, and they cannot hang on forever. It has been well said that for several years the family farmer was fed a daily diet of hopelessness. His demonstrated ability to protect our Nation from hunger was rewarded with misunderstanding and economic distress. Greater success often brought greater distress.

Mr. Chairman, to make matters worse, the family farmer was then told if he could not make a decent living under those circumstances, he could get out. He should become efficient, he was warned, or uproot his family and head for the city.

Efficient he should become. And the more efficient he became, the more he fell behind in relation to the economic position of other groups.

Farmers have tripled their output per man-hour since 1940—yet this increase in efficiency has been accompanied by a steadily declining income.

Output per man-hour on farms has been rising almost three times as fast as it has in industry. The farmer's buying power, however, has declined to the point where 1 hour's work will earn only a third as much as most other Americans. Yet he has to pay the same price for the same food, clothing, and other necessities for his family.

The farmer has raised his productivity to the point where he was able in 1961 to feed himself and 27 others, compared with himself and about 10 others in 1940, and himself and about 14 others in 1950. Yet his economic position has kept slipping, and in 1960 he was working for an average of 82 cents an hour, compared with $2.29 in industry.

Mr. Chairman, the farmer, instead of benefiting from rising efficiency with improved income and living standards, has been driven off the land in ever-increasing numbers. The movement of farm people to urban areas has been one of the major trends in our Nation's history. Net migration from the farm to the nonfarm population totaled 6 million in the 1920's, over 3.5 million in the 1930's, and over 9 million in the 1940's. It averaged more than 800,000 per year in the 1950's.

The primary beneficiary of the rapid increase in production efficiency has not been the farmer; rather the benefits have gone largely to others who are not farmers. So it is apparent that efficiency alone is not the answer; increased efficiency must be tied with a reasonable means of adjusting production and price.

Finally, on top of all this the farmer has been subjected to a great deal of unjustified criticism. He has been scolded unfairly as a burden to the taxpayer, and blamed unfairly for the high cost of living. This latter accusation has a special irony in a land that has never known famine and where food is really a bigger bargain than ever in history.

Mr. Chairman, I appeal to my colleagues to give American farmers the tools by which they can manage their abundance; tools which will bring to rural America the prosperity that it has so long deserved.

Let us pass this legislation. Let us give the farmer the chance to look to the future with renewed hope and confidence that his good, free way of life may yet survive.

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 3, line 1, immediately before the word "recreation" insert the word "nonsegregated"

And page 3, line 9, after the word "Secretary" change the period to a colon and insert the following: *"Provided,* That the Secretary shall neither make payments, nor furnish materials and services, nor provide any other assistance to any farm or ranch owner or operator for the development of recreation resources unless (1) he finds that any recreation facilities established under this Act will be available for the use and enjoyment of all persons, regardless of race, creed, or color on a nonsegregated basis, and (2) such farm or ranch owners and operators agree to maintain and operate such recreation facilities on a nonsegregated basis."

Mr. FINDLEY. Mr. Chairman, so much attention has been directed to the feed grains and wheat sections of this bill, that many people are unaware of the broad scope of Federal spending this bill would launch for recreational facilities, both publicly and privately owned. It would authorize spending for recreation under four existing acts of Congress. When I first read the language of this title I, I was curious as to who would be entitled to use these federally aided facilities. I directed a question in the Committee on Agriculture to Mr. Gladwin E. Young, the Deputy Administrator of the Soil Conservation Service. I asked him whether the recreational facilities would be established under policies which would prohibit segregation. He said:

I think that we have not worked it out specifically in that respect.

Then later on before the Committee on Agriculture I directed the same question to Secretary Freeman and got a similar, very evasive answer. Still later I directed a question to the White House, thinking that surely the man who was so outspoken in behalf of civil rights in the campaign for the presidency would not hesitate to clarify the fundamental right of every taxpayer regardless of his color to equal access to federally aided facilities. The response I got from one of his assistants was that the matter was before congressional committees and before the Congress, and I would be hearing from the Department of Agriculture

later on. Well, I had already heard from the Department of Agriculture and the answer was evasion. It seems incredible to me that it should be necessary to spell out in the language of the bill this fundamental right of equal access to federally aided facilities. But so it is.

That is my reason for presenting this amendment to clarify the right of all Americans, regardless of race, to have equal access to federally aided facilities. This will give each of us who really believes in civil rights the opportunity to stand up and be counted.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to call the attention of the House to this splendid example of "responsibility" and of "leadership," this splendid example of how the minority recognizes its responsibility to work out an agricultural act. Here is an amendment that has fully as much relation to agriculture as the Einstein theory has to the practice of law. It is so closely related to agriculture that I am sure you will all understand from a reading of the amendment that the gentleman from Illinois must be deeply "concerned" for the welfare of his farmers and that he is making a fearless fight to protect their income. He could hardly think of an amendment which would have a closer relationship to farm income or a more effective way to stop the buildup of surplus stocks.

It has no effect on this legislation one way or the other. The Supreme Court has already passed on these matters. This amendment has not a thing in the world to do with anything except the pure politics of the matter. The hope of course is that somehow or other he will sow the seeds of dissension over here on our side. He heard the fire alarm, so he comes running with a can of gasoline in each hand. Surely nothing could be more helpful—especially to Illinois farmers.

I just ask you, who has been playing fair with you? Several times I have told you that our friends on the minority have held a secret meeting in which they agreed that they had no responsibility for working out a farm program but that their only purpose would be to try to embarrass the administration. Are they now trying to work out a farm program or are they trying to embarrass the administration? You guess.

I submit that this amendment has nothing whatsoever to do with a farm program, but I believe it does fit very clearly into the pattern which Mr. Sorkin described of trying to embarrass the administration on every occasion.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. No, I would not think of yielding, because I might somehow or another disrupt this well laid plan that the gentleman has devised for trying to create dissension.

I want to call my friend's attention to the fact that this has not a thing in the world to do with this bill, not a thing in the world to do with agriculture. The decision has already been made that this does not change or add to or subtract from anybody's rights, but there is a faint hope that this might in some way be disruptive of the Democrats. I do not believe my colleagues are going to fall for this kind of bait.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Texas, Mr. POAGE, asked what this amendment has to do with this farm bill. It has as much to do with the farm bill as do golf courses, swimming pools, ski rides and what have you. If you are going to put a so-called recreation provision in a farm bill, then you ought to be ready, willing, and able to accept a perfecting amendment.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. FINDLEY. I think the gentleman might also be interested in knowing that this so-called farm bill even provides for sewer systems. I realize it is rather strange that we are bringing up civil rights in a farm bill, but this is a bill that has civil rights brought into it by the nature of the language itself. Title I provides for recreational facilities. As I have just enumerated, the administration itself is obviously unwilling to face up to the question as to whether these facilities will be available to all Americans.

Mr. GROSS. Is the gentleman suggesting that the bill as introduced properly belongs in the sewer system?

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. BRUCE. I would simply like to comment that in the time I have been in the House of Representatives I have never been so offended by a roundabout attack on a colleague as I have at the moment. The gentleman from Illinois is, as was pointed out earlier by a gentleman on the other side, dedicated in his consistency. We happen to believe in civil rights on this side. Federal funds for recreational facilities are included in this bill and the gentleman from Illinois has offered a valid amendment.

Mr. LATTA. Mr. Chairman, I move to strike out the last word and rise in support of the Findley amendment.

Mr. Chairman, I would like to say I have always supported civil rights both in my talk and by my vote. I expect to support the Findley amendment. I think it is high time, if this embarrasses the administration, to say for the record that it is opposing civil rights in this regard. It is time for Members of this House to stand and be counted for or against civil rights regardless of the administration's position.

Mr. LINDSAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to take the floor to speak in behalf of this amendment, but I cannot help doing so in view of the attack that has been made by the gentleman from Texas [Mr. POAGE] upon the gentleman from Illinois [Mr. FINDLEY]. The gentleman from Illinois [Mr. FINDLEY] is one of the most conscientious Members of the House of Representatives. He is a man who has never said a word that he did not mean and that he did not feel in his heart. The gentleman from Texas, with a big smile on his face, got up and attacked him. Well, the gentleman from Texas is very willing to make the taxpayers' money available for the acquisition of Federal land or for the support of land for public purposes provided it is available to one limited group only. Well, this is using taxpayers' money for special interest purposes, not public purposes. And that is the reason the gentleman talks the way he does. He would exclude one-half the public. This is the oldest story in the world. It's the story of bigotry. And every time the question of doing something about it, of giving U.S. taxpayers equal opportunity in the enjoyment and use of Federal land or federally supported institutions, the gentleman and his friends get up and say, "You are trying to rock the boat." What boat? How can you rock a boat that is already sunk in a muddy sea of bigotry and petty bureaucracy? I think, Mr. Chairman, that the gentleman from Texas [Mr. POAGE] owes an apology to our colleague from Illinois [Mr. FINDLEY].

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out the fact that the gentleman from Illinois [Mr. FINDLEY] has announced to the House that he is against this bill and I think it is clear that this is an effort to sabotage the bill. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 101, noes 145.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chair appointed as tellers Mr. FINDLEY and Mr. MCSWEEN.

The Committee again divided and the tellers reported that there were—ayes 106, noes 142.

So the amendment was rejected.

Mr. GATHINGS. Mr. Chairman, I offer an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. GATHINGS: On page 3, line 9, change the period to a colon and add the following: *"Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years."

Mr. GATHINGS. Mr. Chairman, this amendment deals with agreements for the establishment of tree-cover crops. The bill provides for a 15-year period of time that a farmer may obtain payments. My amendment would cut that 15-year period down to a maximum of 5 years.

A little time would be required by these farmers to make the transition from row crop or pasture farming over to trees. He would be paid during this changeover up to 5 years, but not to exceed 5 years.

I hope that the chairman of the Committee on Agriculture will agree to this amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I say that I have discussed this matter. I see no objection to the amendment, and I am perfectly willing to accept it.

Mr. GATHINGS. I hope the amendment will be agreed to. I hope the gentleman from Iowa will also accept this amendment. It has for its purpose cutting down the time from 15 to 5 years, and makes the program much less costly.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I find no objection to the amendment offered by the gentleman from Arkansas.

Mr. GATHINGS. Thanks very much. I trust that the amendment will be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 4, beginning on line 5, strike out all of lines 5 and 6 and through (cultivation," on line 7 and on line 14 strike out the period and add "but not to build industrial parks or establish private industrial or commercial enterprises."

Mr. BASS of Tennessee. Mr. Chairman, I think the wording of the amendment very well speaks for itself.

This amendment strikes out lines 5, 6, and 7 on page 4 through the word "cultivation" and adds the following at the end of line 14: "but not to build industrial parks or establish private industrial or commercial enterprises."

This amendment will insure that the Department of Agriculture will not acquire or enforce Federal management on already existing private commercial plantings of forests and privately owned commercial income-producing outdoor recreation enterprises in the conduct of land use improvement and adjustment projects undertaken under section 102.

The revision of the Bankhead-Jones Act provided in section 102 would authorize the Department of Agriculture to undertake a program of technical service and financial and other aid to various types of local agencies and organizations to establish and carry out a series of projects for rural renewal and land use improvement and adjustment. The proposed amendments will insure that the operation of these projects shall not interfere with existing privately owned industrial, commercial and recreational enterprises.

The purpose of this amendment is also to make certain that the industrial aspects of rural renewal projects undertaken under this authorization initiated by local public authorities under this legislation will work in harmony with the rural industrialization program established under the Area Redevelopment Act—Public Law 87-27—and the Small Business Administration.

The effect of the amendment would be to require local rural renewal authorities to obtain financial resources for rural industrial parks and rural industies and commercial enterprises from private, commercial, and cooperative sources or from Small Business Administration or Area Redevelopment Administration.

With the rapid advances of automation and the great variation of wage scales and local tax rates, fear was expressed that local rural renewal authorities set up to benefit from the provisions of section 102 might become so enthusiastic in attempting to attract industry and commercial enterprises to their areas that the strict guidelines Congress wrote into the Area Redevelopment Act would be difficult to enforce if such activities were not subjected to the provisions of that act.

It is not the purpose of the amendment to prevent or limit bona fide new growth of rural industry and commercial enterprise. Quite the contrary, it is expected that the rural renewal projects will explore and utilize the full potentialities of new industry and business growth. The amendment merely restricts the available Federal funds to those available from Small Business Administration and those authorized under the Area Redevelopment Act to make certain they are utilized in accordance with the so-called antipiracy provisions of that act.

Mr. Chairman, the amendment is not complicated, and I shall make my other remarks on the general subjects of this bill.

Mr. Chairman, I attempted a few moments ago to acquire the necessary time that I thought it would take to discuss and pinpoint some of the attitudes that have been expressed on the floor of the House with relation to the Billie Sol Estes scandal and his involvement in the agricultural program. I do not think there is any doubt in anyone's mind here but what bad legislation will encourage bad business and bad morals in the conduct of business. Now, if we fail to act in this instance, we are voting to return to the programs which Estes and those associated with him have found so much to their liking. These are the programs which spawned the involved and unusual relationships between Estes and the Commercial Solvents Corp., the supplier of credit and fertilizer for Estes, and also the former officials of the Department of Agriculture under the prior administration that were involved in this unholy act of collusion.

This unique combine found that earning grain storage fees was much more profitable than growing the grain to put in his elevators and that selling fertilizer, even at below cost, was a way to increase the potential amount of grain in those storage facilities. It is clear that Estes obviously had good instructions on how to do business with the Government. He may have added a few ideas of his own, but he learned that Commercial Solvents could hire a former assistant to the Secretary of Agriculture under the Republican administration to act as their eyes and his ears. This corporation, Estes could see, found the information it wanted from a consultant who not only was a consultant to the Republican policymakers in the Department, but who actually was the consultant and who was a paid lobbyist calling on the staff of the Committee on Agriculture, by their own admission and by his own admission, trying to influence the outcome of legislation on Capitol Hill.

Yes, members of the committee, this man, Martin Sorkin, was a paid lobbyist. And, what does this man say as a paid lobbyist? He said that he had attended secret meetings with the chairman of the Republican National Committee and the chairman of the Republican Campaign Committee in which it was decided by these distinguished gentlemen that the course to be followed was not one of offering a solution, not one forming a program to assist the farmers and to relieve the taxpayers of this burden created by the surplus, but one of obstructionism and one of opposition, to do nothing more than to embarrass this administration. It is unlikely that we can legislate here to reform human nature, but we can legislate programs which will eliminate the temptation that produces the kind of people that have been exposed in the Estes affair.

As surely as I stand before you today, I am sincerely convinced that if we continue these programs which have built up huge surpluses will make it possible for people to make billions and billions of dollars by storing the commodities, without the farmer having a chance to get the profit for himself, that we are encouraging the type of operation that has been exposed in the Billie Sol Estes case. Day after day I have sat on the committee and listened to the testimony of how this unholy alliance built up this unique program and received huge windfall profits under the agricultural program that has never helped the farmer, nor the housewife, nor the taxpayer. On every occasion I asked the gentlemen who testified: "Do you believe that the agricultural bill that is being proposed by this administration would eliminate the possibility of future Billie Sol Esteses?"

All but one said it would certainly decrease the possibility of future Billie Sol Esteses. The one man who said he did not think the program would work was a Mr. Jackson, the sales manager for Commercial Solvents.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BASS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

Mr. HOEVEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LANGEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the "umpteenth" time we have been reminded, and there has been discussed in connection with this bill, a letter and some evidence that is before a committee on which I serve which has absolutely no connection with the bill that is before us.

Mr. Chairman, it is a rather sad and pathetic thing that they cannot find any kind of argument or support for a bill that is any more substantial than those that have been presented on the previous occasions and at this moment recently reemphasized by my colleague, the gentleman from Tennessee [Mr. BASS], who is a member of the committee.

Mr. Chairman, may I remind him that I also sit on this committee, and that I have been listening to every word of testimony that has come before that committee, as he has.

May I also remind him that there are a good many other areas, as I did yesterday, that have been called to our attention, both by witnesses and by others, who have asked that these areas be exposed. I am going to say to the gentleman from Tennessee [Mr. BASS], now, that if we want to encourage the activities of men such as Billie Sol Estes, then I say the enactment of the present bill is the way to do it. Actually, the biggest violations which we have are in the area of cotton allotments. Oh, the precautions that have been taken by the committee to see that we do not get into that area, that we do not discuss the matter of allotments, that we do not expose them. Here was an area where it was necessary to levy a fine of more than one-half million dollars which no one knows whether or not they are going to collect. May I remind the Members of the House also that the reason that this is brought up in this manner in order to encourage the passage of this bill is to completely whitewash and to cover up the fact that it has become necessary to fire both—yes; an Assistant Secretary and two other members of the Department of Agriculture, and to transfer some others. This is the item that they are so desirous of covering up.

Mr. Chairman, if we are going to extend the compulsory system to the degree that is advocated here, it will open the door wide for other people to do exactly the same thing as Mr. Estes has done with cotton allotments having been transferred to him because of the great advantage that goes with them.

Mr. Chairman, I should recall for the Members of the House in this connection that here is where the real folly lies in this entire system, and I want to warn the Members of this House that unless we have intentions of encouraging that kind of practice, we had better be a little careful in enacting this kind of legislation.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. Has the gentleman been able to get some of the records in the Department dealing with these quotas, and the problems involved around them?

Mr. LANGEN. As a matter of fact, we have not been able to get those witnesses before the committee yet. We are going to continue to insist and to demand that they be brought before the committee so that this area can be exposed to the fullest extent, and that this House of Representatives be reminded of the dangers that are prevelant in this field as well.

Mr. Chairman, I want to say again that the cat was let out of the bag yesterday by the gentleman from Texas when he first brought this matter into the point of discussion, that obviously these actions were taken in order that they should not be exposed prior to the consideration of this bill.

Now if the gentleman is sincere in his statement he will assist us in exposing the discrepancies that now exist in the Department of Agriculture, return honesty to Government, and put a stop to scandalous affairs like that of Mr. Estes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS of Tennessee) there were—ayes 197, noes 9.

So the amendment was agreed to.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWEEN: Beginning on page 6, line 23, strike out all of sections 104, 105, 106, and 107.

Mr. McSWEEN. Mr. Chairman, there is a great deal of interest in these proposed amendments to the Watershed Protection and Flood Prevention Act. There is at the same time a great deal of concern that they are being considered in this farm bill at this time. It is only for this purpose that I have offered the amendment that they be stricken from the bill. It is my understanding—and I should appreciate the chairman of the Committee on Agriculture verifying what I am about to say—it is my understanding that the chairman of the Committee on Agriculture will at a very early date bring this matter to the attention of the committee in separate legislation so that the committee can give consideration to these amendments to the Watershed Protection and Flood Prevention Act.

Mr. Chairman, I yield to the chairman of the committee at this time.

Mr. COOLEY. Mr. Chairman, I would like to say to the gentleman that while I am not authorized to speak on behalf of the committee, I have discussed these sections with many members of the committee. I personally see no objection to the gentleman's amendment. I can assure the House that I shall, perhaps tomorrow, introduce a separate bill containing in substance these provisions which his amendment will eliminate from this bill. I do not anticipate any difficulty in having it reported by our committee.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, as chairman of the subcommittee that handled this matter, may I say that while I think these provisions are good, and I want it understood that I think this is a sound provision of law, as the gentleman has explained, it is something rather extraneous to the question of control of agricultural production or of price support. For that reason, as an individual, I feel it is advisable to approve the amendment offered by the gentleman from Louisiana, and then at the earliest possible date to pass these identical sections through the House as separate legislation. In that event I shall support the existing provisions of this bill.

Mr. McSWEEN. I thank the gentleman.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Maine.

Mr. McINTIRE. May I say to the gentleman that in view of the fact that I too hold membership on this subcommittee of the Committee on Agriculture I am very happy to concur with the gentleman on these provisions of the bill. However, I am doing this in the context of the previous statement I made, that I think it most appropriate to consider these amendments as separate pieces of agricultural legislation, separately and not in an omnibus farm bill, and concurrence in removing this section from the bill proves this point. I only wish there were other sections of the bill that would be handled the same way.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Minnesota.

Mr. QUIE. I agree with the comments of the gentleman from Maine that we ought to take care of these ideas separately rather than in an omnibus proposal. This is one of the few parts of the bill with which I agreed. I think it should be in. I was hoping that if the bill passed we would have something good that would work.

Mr. McSWEEN. If I withdrew my amendment would the gentleman support the bill?

Mr. QUIE. No, I did not say I would support the bill. I did not try to. I did not even give the impression of it. I just said this is one of the few good portions of the bill. If the gentleman will recall, I left this section in the substitute I offered in the committee.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman from Texas says this section you are striking is extraneous to a price-support bill. Is not all of title I extraneous to a price-support bill?

Mr. McSWEEN. I do not think so.

Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was agreed to.

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 4, line 9, after the words "public recreation," insert the phrase "available for the use and enjoyment of all persons, regardless of race, creed, or color, on a nonsegregated basis,".

Mr. FINDLEY. Mr. Chairman, this is an amendment which would have the same effect for the Bankhead-Jones Farm Tenant Act in assuring that recreational facilities developed under it would be accessible to all taxpayers regardless of race as was the case with my first amendment earlier rejected. The same arguments would hold here. This gives each Member of the House who believes in civil rights the opportunity to stand up and be counted.

I might add that as one of the tellers counting those who passed down the center of the aisle I failed to observe any Member on the Democratic side of the House who passed down the aisle in support of this amendment, an amendment which would have assured equal access for all races to recreational facilities developed under this provision. I would be glad to yield to any Member who wishes to correct the RECORD on that point.

Mr. COOLEY. If the gentleman's amendment was adopted, he still would not vote for this bill; would he?

Mr. FINDLEY. That is correct.

Mr. COOLEY. All right.

Mr. FINDLEY. That is correct, but I might say that if the conclusion to be drawn from that fact is that mine is a crippling amendment, I want to assure the gentleman that the only thing that would be crippled by this amendment would be the actions of those who would deny equal rights to all people regardless of race.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment and ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: Page 5, after line 2, insert the following:

"(1) Paragraph (5) of section 3 of such Act is amended by striking out the period at the end thereof, and inserting in lieu thereof a colon and the following: '*Provided*, That, in preparing a watershed plan which provides for works of improvement which, alone or together with other works of improvement developed or contemplated under this Act in the same river basin or sub-basin, will significantly affect water resources development activities in areas downstream from the watershed for which such plan is being prepared, the Secretary shall undertake joint planning with the heads of other appropriate Federal agencies concerned with such water resources development activities to assure coordinated and integrated plans and programs.'"

Page 5, line 3, strike out "(1)" the first place it appears and insert in lieu thereof "(2)".

Page 6, line 12, strike out "(2)" and insert in lieu thereof "(3)".

Mr. SMITH of Mississippi. Mr. Chairman, this amendment is designed to bring the overall amendments to the Watershed Act that are still remaining in the bill in line with the provisions of the bill which the House passed unanimously last summer in regard to the overall planning of watershed development. I believe this will contribute to the benefits provided in the watershed section remaining in the bill. I hope the committee will adopt it.

Mr. COOLEY. Mr. Chairman, I personally have no objection to the gentleman's amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Iowa.

Mr. JENSEN. May I ask the gentleman if he is attempting to revise the amendments which are provided in this bill in the Watershed Act which were recommended by the Chief of the Soil Conservation Service? Is your amendment to amend those amendments?

Mr. SMITH of Mississippi. It is to provide for an amendment to the remaining amendment that is left in the bill, section 103, which provides that there shall be coordination in the watershed plans with the other Federal agencies concerned with water development.

Mr. JENSEN. In the committee bill, does it now contain all of the amendments to the Watershed Act which were recommended by the Chief of the Soil Conservation Service?

Mr. SMITH of Mississippi. A large number of them have been eliminated by the action of the committee a few minutes ago on the McSween amendment.

Mr. JENSEN. And you are simple trying to reinsert that portion?

Mr. SMITH of Mississippi. No, I am merely trying to bring out the necessity of coordinating any type of watershed development with all types of Federal watershed developments with the Federal agencies in this field and in the planning of the watershed developments.

Mr. JENSEN. Mr. Chairman, I might tell the gentleman and the members of this Committee that I had something to do with formulating the amendments which the Chief of the Soil Conservation Service has recommended and which are in the bill as it came from the other body, the farm bill, and also the committee bill.

Mr. SMITH of Mississippi. My amendment does not change their basic purpose in any way.

Mr. JENSEN. If I may direct this inquiry to the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY]—Do I understand that part of these amendments or all of these amendments have been stricken from the bill?

Mr. COOLEY. All amendments after section 103 have been stricken from the bill and I said that tomorrow I will introduce a separate bill and bring it to the attention of the Committee and I do not anticipate any difficulty in having it reported. It will be back before the House.

Mr. JENSEN. You will introduce an amendment to reinsert those amendments?

Mr. COOLEY. I will introduce a separate bill touching these watershed items which have been stricken.

Mr. JENSEN. Why strike these amendments out of this bill? In my judgment these amendments are more important to the American farmer and to America than the rest of your bill.

Mr. COOLEY. I am just trying to tell my friend that I propose to introduce a bill containing these amendments which have already been stricken out.

Mr. JENSEN. Were you in favor of the amendments being stricken out of the bill?

Mr. COOLEY. I am in favor of their being stricken out of the bill with the assurance to the House that I will bring them back in a separate bill at an early date. Action has already been taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 2, line 13, after line 12, strike out lines 13, 14, and 15 and insert the following:

"(4) by adding the following new subsections at the end of section 16 of said Act:

"'(e) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota, and Minnesota to provide financial or technical assistance for wetland drainage on a farm under authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within 90 days after the filing of the application for drainage assistance: *Provided*, That the limitation against offering such financial and technical assistance shall terminate one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource. The provisions of this subsection shall become effective July 1, 1962.

"'(f)(1) For the purpose of promoting the conserva-'".

Mr. ANDERSEN of Minnesota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. May I ask the gentleman from Wisconsin if this is not the same amendment that has already been passed on by the House and is now lying over in the Senate in the form of a separate bill?

Mr. REUSS. The language of this amendment is identical.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make the point of order that this particular amendment has already cleared the House and is awaiting action in the other body which does not care to act upon the matter. It has no place in the bill.

Mr. REUSS. A point of order against the amendment on July 23, 1961, was overruled.

The CHAIRMAN. The Chair is prepared to rule.

The question raised by the gentleman from Minnesota was raised when the same question came up last year. The Chairman at that time overruled the

point of order holding that it was germane.

The point of order is overruled.

Mr. REUSS. Mr. Chairman, this amendment will stop the further use of taxpayers' money to subsidize the drainage of farm wetlands where the Department of the Interior finds that the proposed drainage will materially harm wildlife. One of the objectives of the bill, H.R. 11222, is "to conserve natural resources." Our North American population of wild ducks and geese is in serious danger, and this amendment will help to conserve this natural resource.

My amendment is in the exact language of H.R. 8520, which was unanimously passed by the House on September 12, 1961, but has unfortunately not been acted upon by the Senate. H.R. 8520 was strongly supported by the Departments of Agriculture and the Interior, and was unanimously reported out by the House Committee on Agriculture.

There never was a time when it was as vital as it is today to protect the wetlands in the Dakotas and Minnesota, where 90 percent of our United States waterfowl are bred. In a report of June 13, 1962, by C. R. Gutermuth, vice president of the Wildlife Management Institute, to the distinguished Senator from Virginia [Mr. ROBERTSON], the essential facts are set forth:

Nationally, the wintering ground counts indicated that the overall waterfowl population had reached its lowest point of the past 11 years. Ducks were down 13 percent from last year and 10 percent below the average of the past 13 years. Geese declined 8 percent from last year, but remained slightly above the long-range average. Scaup and Canada geese showed some increase over last year, but mallards and pintails were at a 9-year low. The fewest black ducks were observed since 1950, and canvasbacks continued at a critically low level. This gloomy picture is not improved by reports from the principal breeding grounds where water still remains in short supply.

Our information shows that nearly half of the prairie pothole areas, originally amounting to 1,350,000 acres of wet lands in Minnesota, North Dakota, and South Dakota, have been drained in the past 10 years. The tristate region is the principal waterfowl breeding ground in the continental United States. Most of that drainage undoubtedly was accomplished with Federal subsidy.

It is virtually impossible to get a reliable figure on the Federal cost per acre of land drained. The reason for this is that the Agriculture Department agencies speak in terms of acres benefited, which include the pothole area plus all surrounding land that might be improved in some way by the drainage project. This practice makes the drainage-per-acre cost a lesser figure than it would be if based, perhaps more accurately, on the ratio of the actual area drained and the cost of doing it.

The continued destruction of wet lands in the Dakotas and Minnesota and in the prairie provinces of Canada is a serious threat to the future of waterfowling.

We are making increasing use of our waterfowl while, at the same time, destroying the specialized kinds of wetland habitat that ducks must have to survive. I cannot help but think that if this trend is not checked, waterfowl hunting ultimately will become even more restrictive than it is today."

I recently put into the CONGRESSIONAL RECORD evidence which shows that in the last 2 years, out of more than 1,000 cases in the Minnesota-Dakota area where the Department of the Interior has asked the Department of Agriculture to refrain from subsidizing a proposed farm drainage, on the ground that the drainage would materially harm wildlife, the Department of Agriculture has gone right ahead and subsidized the drainage with the taxpayers' money in more than 80 percent of the cases—see Appendix to the CONGRESSIONAL RECORD for May 29, 1962, A3960–A3961.

Under my amendment, the Department of the Interior is directed to make a prompt survey of any application for subsidized farm drainage in the "prairie pothole" area. If the Department of the Interior makes a finding that wildlife preservation will be materially harmed by the proposed drainage, and makes an offer to lease or to purchase the wetland area from the owner thereof as a waterfowl resource within 1 year, no drainage subsidy can be given by the Department of Agriculture.

The provision of my amendment requiring the Secretary of the Interior to make an offer for the land within 1 year, if the drainage subsidy is to be denied, is a fair one. The Department of the Interior has been endowed by Congress with the power and the financial means to lease or purchase wet lands for waterfowl preservation. Under Public Law 87–383, of October 4, 1961, the Secretary of the Interior has been told to step up his program of acquiring wet lands, with the proviso that wet lands shall not be acquired "unless the acquisition thereof has been approved by the Governor of the State." It should be noted that the Governor of the State, by withholding his consent, can stop the acquisition of wet lands in his State by the Secretary of the Interior; but, of course, this does not prevent the Secretary of the Interior from making an offer to lease or purchase the land, and thus stop the granting of a drainage subsidy, as provided in my amendment.

I ask for a vote on this amendment, because I am confident that this House will overwhelmingly support it, and that the strength of that support will insure that the amendment is retained in conference between the two bodies.

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield.

Mr. COOLEY. Is not this proposition exactly like your proposition that we accepted last year unanimously in the House?

Mr. REUSS. That is correct. It becomes necessary to attach it to this farm bill in order that the conference may proceed on it and in hopes that it may be passed and sent on to the President's desk for signature.

Mr. COOLEY. Speaking for myself, as far as I am concerned I would be glad to accept the amendment without discussion. The subject was thoroughly discussed when it was considered last year.

Mr. REUSS. I thank the gentleman, and I shall certainly take the hint and not unduly delay matters. I would, however, like to yield to my distinguished colleague, the gentleman from Wisconsin [Mr. JOHNSON] who has put a great deal of work into this effort to protect our wildlife in this country.

Mr. JOHNSON of Wisconsin. May I say that complete hearings were held on a bill that I introduced similar to this amendment. It passed the House by unanimous consent on September 12, 1961. As the gentleman from Minnesota said, it has laid over in the Senate ever since. I do not know what the reason is, but that is another matter.

Mr. REUSS. I thank the gentleman. I hope Members on both sides of the aisle will vote in favor of the amendment so that our view may be clear to our colleagues in the other body, and the amendment may indeed become law.

[Mr. ANDERSEN of Minnesota addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was agreed to.

Mr. AVERY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is quite evident by now that a number of, shall we say arrangements, have been made in respect to the bill that is now before us, the printed bill before us, and the bill on which a rule was granted. This assumption is made upon the colloquy between the gentleman from Kentucky [Mr. CHELF] and the gentleman from Texas [Mr. POAGE], who responded, that all of the questions put to the gentleman from Texas by the gentleman from Kentucky had been previously examined by the gentleman from Texas [Mr. POAGE]. As I recall it, he assured the gentleman from Kentucky [Mr. CHELF], amendments would be offered to conform to all questions in the letter from Mr. CHELF's constituent, and also the objections that Mr. CHELF raised to the bill.

Now I come to this. If these amendments have already been agreed upon, if enough so-called "deals" have been made to pass this bill, I wonder if it would not be fair to the minority for the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], tonight to introduce a clean bill, carrying all these amendments with it, or, if that is not acceptable, could he not submit for printing in the CONGRESSIONAL RECORD tonight all of the amendments that he has agreed to so that at least we, the minority, have an opportunity to examine them in detail previous to their formal introduction on Thursday?

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I just provided the gentleman from Iowa [Mr. HOEVEN] with a copy of the amendments referred to. I do not know whether we can put them in the bill, but we can put them in the RECORD so that the Members will know what we are voting on tomorrow.

Mr. AVERY. I certainly think that should be their entitlement.

Mr. COOLEY. All the amendments that are not voted on tonight will be put in the RECORD.

Mr. AVERY. I am told that we cannot write a bill on the floor of the House, but apparently that is what we are going to do on this particular piece of legislation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I do not want anyone to get the impression that these 15 or 20 amendments have been agreed to on this side of the aisle.

Mr. AVERY. Will the gentleman state how many there were?

Mr. HOEVEN. I do not know; there must be 15 or 20 that we knew nothing about until today, which, I think, lends some credence to my suggestion that this bill ought to go back to the Committee on Agriculture so that all of these amendments could be properly considered.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Indiana.

Mr. HALLECK. It is obvious that we are witnessing a rather cynical procedure as far as this bill is concerned. It is apparent that the majority is determined to bring it to passage at whatever cost. In my opinion this bill is so bad that one day the majority will rue the action that is here being taken today. Earlier we had a lot of conversation around here about nonpartisanship in connection with this bill. It now appears that a whole series of amendments have been agreed upon by the majority obviously to work here and there to get a vote or two on their side, and that has all been done without any consultation at all with the minority members of the committee. So, it seems to me that it is pretty hollow talk coming from downtown, as we have heard it, that there should be no partisanship in connection with this bill, when here we see probably as obvious a display of partisanship as I have ever seen in my time here.

Mr. AVERY. I would only observe that this supports the statements made by myself and other members of the minority on yesterday, and that was that this was a bad bill. So, by virtue of all these amendments, it appears to me the majority recognizes it is a bad bill and will hope to improve it.

The Clerk read as follows:

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

"(1) Section 401 is amended by adding at the end thereof the following new sentence: 'It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

"(2) Section 402 is amended—

"(a) by inserting the words 'including financial institutions acting in behalf of such nations' after the words 'friendly nations'; and

"(b) by adding at the end thereof the following new sentence: 'In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title.'

"(3) Section 403 is amended—

"(a) by deleting the words 'approximately equal' from the last sentence thereof and substituting therefor the word 'reasonable'; and

"(b) by inserting after the word 'agreement' in the last sentence thereof the following: 'except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery':"

"(4) Section 405 is amended to read as follows: 'In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis'."

"(5) Section 406 is amended by inserting after the word 'Sections' the following: '101 (b) and (c)'."

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs."

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be made available for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, following line 2, insert a new section 201 to read:

"SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

" 'Section 201 is amended by striking out the words "out of its stocks". '

" 'Section 202 is amended by striking out "from Commodity Credit Corporation stock" and substituting "(as defined in section 106 of title I) made available by Commodity Credit Corporation".'

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On pages 12, 13, and 14 renumber following sections in title II to conform.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 18, after "may be" strike out "made available" and insert "donated".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to return to title I for consideration of an amendment which is at the desk.

Mr. HOEVEN. Mr. Chairman, reserving the right to object, may we have the amendment read?

The CHAIRMAN. Without objection, the amendment will be reported.

Mr. HOEVEN. Mr. Chairman, I reserve the right to so object that the proposed amendment may be read for the information of the Members of the House.

The CHAIRMAN. Does the gentleman ask unanimous consent that the amendment be read for information?

Mr. HOEVEN. I reserve the right to object and ask that the proposed amendment be read for the information of the Committee.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY, of North Carolina: On page 3, between lines 9 and 10, add the following:

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection."

Renumber paragraphs (2), (3), (4), and (5) as (3), (4), (5), and (6), respectively.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Chairman, further reserving the right to object, is this establishing a precedent that you can come back to sections previously passed?

Mr. COOLEY. If the gentleman will yield——

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The author of the amendment was temporarily absent from the Chamber when we concluded the reading of the title. For that reason, this amendment was not called up. Mr. HAGAN of Georgia was the author of the amendment and intended to offer it. I do not think it is controversial. I supplied the gentleman from Iowa [Mr. HOEVEN], with a copy of it. It is designed to prevent speculation in the program.

Mr. GROSS. The gentleman would not be constrained to object if someone

else wanted to go back to another previously passed section or title of the bill?

Mr. COOLEY. If the gentleman will yield, it depends upon the circumstances involved.

Mr. GROSS. That is what I thought.

Mr. COOLEY. I am just explaining the circumstances of this amendment.

Mr. GROSS. Yes, I understand; but the same circumstances might apply to any one of the other 436 Members.

Mr. COOLEY. If the same situation prevailed, certainly, I would not object.

Mr. GROSS. Suppose we have a brief explanation of this before unanimous consent is obtained.

Mr. COOLEY. The brief explanation is this. The purpose is to prevent speculation, to prevent some lawyer or professional man going out and acquiring land in order to get into the program as has happened in past programs. This provides that he must have had the land for at least 2 years in his own ownership, before he can participate.

Mr. GROSS. It is designed to stop promoters and speculators?

Mr. COOLEY. That is right.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

Mr. HOEVEN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mrs. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MAY of Washington: Page 14, line 23 insert the following:

"SEC. 207. It is hereby declared to be the sense of Congress that the President, pursuant to the provisions of titles II and III of Public Law 480, Eighty-third Congress, as amended, should take immediate and effective steps to make surplus agricultural commodities available to those Chinese refugees who have fled from Communist oppression on the mainland of China to the Crown Colony of Hong Kong."

Mrs. MAY. Mr. Chairman, I think the intent of this amendment is quite clear. I should like to say in the beginning, to make it very clear to my friends on the other side of the aisle, that even if the amendment should prevail, at this point I have no intention of voting for the bill. However, I believe it is a precedent, in this body, that even though a Member objects to overall provisions of a bill, there is nothing improper in trying to perfect it in certain areas by voting for desirable amendments, or in trying to add something that seems proper to any section of the bill, as I have tried to do in this amendment.

Our President has already announced that he intends to make our agricultural surplus food products available to needy Chinese refugees in Hong Hong. Here is our chance to express the intent of the Congress on this question.

I ask for the adoption of the amendment.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the chairman of the committee.

Mr. COOLEY. Am I to understand there is no way we can sweeten this bill up to prevail upon the gentlewoman to vote for it?

Mrs. MAY. My words were, when I offered this amendment, that at this point in the bill, I would not vote for it. Of course, we have many more amendments pending.

Mr. COOLEY. The lady would not object to my accepting her amendment?

Mrs. MAY. I should like very much to have the gentleman accept my amendment.

Mr. COOLEY. Mr. Chairman, I accept it.

Mr. HOSMER. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield.

Mr. HOSMER. Does this amendment apply just to the Crown Colony of Hong Kong?

Mrs. MAY. Yes, sir.

Mr. HOSMER. I thank the gentlelady.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Washington [Mrs. MAY].

The amendment was agreed to.

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI:

"SEC. 201. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the colon at the end of subsection (s) and inserting in lieu thereof a semicolon and by inserting immediately after such subsection (s) the following new subsection:

"'(t) For farm improvement loans on reasonable terms and conditions to individuals who own and operate farms in countries having a Communist government where surplus agricultural commodities are sold under this Act; except that foreign currencies shall be avilable for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts:'"

Redesignate the following sections of the bill accordingly.

Mr. DERWINSKI. Mr. Chairman, this could more effectively be described as an amendment to export the free enterprise system to Communist countries, and could test the sincerity of so-called independent Communist governments in their claim to provide practical assistance to their citizens through the generosity of the American Government and its taxpayers.

The purpose of this amendment is to provide from accumulated American funds under Public Law 480, a loan program to farmers who own and operate individual free enterprise farms in countries having Communist governments.

From statistics at our disposal, we find that 86 percent of the farmland in Poland is in private hands and that 90 percent in Yugoslavia is in private hands. We could, therefore, provide practical assistance to free enterprise operators in these countries, at least to the percentages reflected by individual farm ownership.

Therefore, the counterpart funds accumulated through the disposal of our surplus agricultural commodities could be used to advance free enterprise in the farm economy of those Communist countries.

We know from history, as well as from current reports, that the rural regions in Communist countries are the hard core of opposition to the atheistic ideology of communism. Love for the soil, the spirit of freedom, the virtue of perseverance, that are found in farmers of all lands, are found in farmers behind the Iron Curtain.

By accepting this amendment, we will provide practical assistance from the U.S. Government to the farmer who still maintains his individual property in the face of Communist pressures to collectivize the farm economy. It would represent a practical and typically American use of funds, and would be a dramatic demonstration of American interest in the oppressed people behind the Iron Curtain.

May I repeat, Mr. Chairman, this is another nonpartisan amendment. The purpose of this amendment is to provide specifically that the funds that have been accumulated from oversea sales to Communist countries be made available on a loan basis to the owners of privately operated farms in those countries. The background for the amendment I repeat is this.

In Yugoslavia and Poland, which are the two Communist countries now benefiting from Public Law 480, substantial funds have been accumulated. In Yugoslavia 90 percent of the farmlands are in private hands. In Poland 86 percent of the farmlands are in private hands. The governments of these countries are trying to collectivise these farms. In each of these countries the peasants are the background of the resistance against communism. My purpose is to help private enterprise in the Communist areas of the world, and make the surplus funds available under Public Law 480 available to sustain private enterprise in Communist countries. I have no illusion about the fact that the Communist governments of Yugoslavia and Poland might accept the provisions, but I do think it would be a dramatic gesture of American interest in private enterprise behind the Iron Curtain.

I believe this is a practical amendment. I feel it would be an effective extension of our Public Law 480 program. I think it is worthy of Committee consideration.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment is too far reaching and too important to be considered under these circumstances. It is unfortunate that the gentleman did not submit it to our committee during the long time this matter was under consideration. If he will submit an amendment to us, I assure him we shall take it into consideration. At the moment, however, I think it would be very unfortunate and very dangerous for us to accept an amendment of this importance. After all, it involves the expenditure of money in Communist countries. So I ask the Committee to vote down the amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Can the gentleman advise me if any plan at the moment is in the Committee on Agriculture to present a bill revising Public Law 480? This is the only chance I have to approach the issue.

Mr. COOLEY. No; but I understand there is a possibility that an amendment to the Battle Act will be considered by some committee in the House, so this amendment might be germane to that. But if the gentleman will send me a copy of the amendment, I assure him the committee will take a look at it and consider it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

TITLE III—MARKETING ORDERS

SEC. 301. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

Section 8c(2) is amended by—

(1) striking out in (A) thereof "not including vegetables, other than asparagus, for canning or freezing)" and inserting in lieu thereof "(not including vegetables, other than asparagus, for canning or freezing, or potatoes for dehydrating)"; and

(2) inserting in (B) thereof after "fruits and vegetables for canning or freezing" the following ", potatoes for dehydrating".

Mr. McINTIRE. Mr. Chairman, I offer an amendment

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE: Page 15, line 1, strike out all of title III including lines 1 through 14 and renumber the subsequent sections accordingly.

Mr. McINTIRE. Mr. Chairman and members of the Committee, I realize that the marketing agreement provisions of agricultural legislation are very complicated. However, I am moving to strike this provision because this amendment was not given consideration except in executive session of the committee. There are in the potato industry the so-called late States, a tier of northern States from the Atlantic to the Pacific. Seventy percent of the production and marketing of the potato crops come under the marketing agreement regulations.

These are agreements under which growers have participated and which were established through exhaustive hearings. To amend this legislation at this point without giving the growers an opportunity to be heard is, I think, improper legislative procedure. I am familiar with the background of this amendment. I am not quarreling with the sincerity of those who are proposing the amendment, but I do object to the procedure. I think the growers ought to be heard. They have a very deep interest in these marketing agreements and, in my opinion, this type of procedure is not the constructive way to amend such complicated legislation.

I would point out to the members of this Committee that the marketing orders used by the potato industry in the Lake States, from California to Maine, are not price orders in any sense of the word. They are grade and size orders which are used to help market the best portion of the crop and reserve for other uses, particularly nonfood uses, those portions of the crop which are not of high marketability. What the processors have in mind, and this is a legitimate request, of course, is to have access to those off grades and sizes, particularly to those potatoes which are not required to be in their original form or are mashed or dehydrated. This is a matter in which both the processors and the growers have an interest.

I do not think this legislative procedure in this context is constructive; nor is it in the growers' interest. If you are interested in the growers and processors having an equal opportunity to present their views before amendments of this type are made, I sincerely urge the committee to approve the amendment and to strike this provision in order that this subject matter can be presented in a sound, legislative way, giving all parties concerned an opportunity to express their views.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, I am heartily in accord with the gentleman's amendment. I certainly agree with him. The growers have had no proper opportunity to be heard and no hearings were held before our committee. This is a matter that could well be postponed until a later date.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. CHENOWETH. I want to join with the gentleman in support of the amendment. I have had a call from our potato producers in Colorado, of which we have many. They are very concerned over the implications of this proposal.

Mr. McINTIRE. I thank the gentleman.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. ULLMAN. I want to join in support of the position of the gentleman from Maine. We seek to help the farmers in this legislation. I am sure the overwhelming number of potato growers would oppose this amendment. As a matter of fact the gentleman from California [Mr. JOHNSON] has introduced a bill which would go exactly in the opposite direction to the language in this bill. I think at least until after there have been hearings on the Johnson bill this language should be stricken from the bill.

I want to concur in the position of the gentleman from Maine. Potato processors are very much worried.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. MATTHEWS. Mr. Chairman, I likewise support the gentleman's position. The potato growers certainly should be consulted before this policy is enacted.

Mr. McINTIRE. I thank the gentleman.

Mr. HARDING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Agriculture adopted this amendment after thoroughly debating it in committee. It was pointed out that as the situation presently exists, we have part of our processors covered by marketing orders and part exempt. Packers who can or freeze potatoes are exempt from marketing orders. Dehydrators are subject to marketing orders. This could promote unfair competition between a processor who cans and freezes potatoes and is not subject to marketing orders and one who dehydrates potatoes and is subject to marketing orders. This section of the bill clarifies this situation. It is not right for a processor who is a canner and freezer and dehydrator to have half of his line subject to the marketing orders and half exempt. Think of the confusion and unworkability. This section merely puts dehydrators in exactly the same exempt position as canners and freezers.

I concur in what has been said about the Johnson bill and would like to see the report come to the committee for hearings. Certainly the treatment of the potato processors should be uniform and there should be no inequalities.

I hope that the amendment offered by the gentleman from Maine will be voted down.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. HARDING. I yield.

Mr. McINTIRE. Would the gentleman agree that while this was discussed for the usual length of time accorded such things during consideration in executive session, would the gentleman not agree that the potato processors have a very great interest in the marketing legislation, that their views ought to be heard before we pass legislation of this type?

Mr. HARDING. I most certainly would agree that the growers have a real stake in marketing order legislation. We should give them a chance to come in and testify before we decide whether all processors or no processors should be covered. However, as it is at the present time we are in a situation where we are half covered and half exempt.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARDING. I yield.

Mr. COOLEY. Do I understand that the gentleman opposes striking this language out? Or is the gentleman perfectly willing to strike it out if he can be assured of hearings on the subject?

Mr. HARDING. There again, Mr. Chairman, we are going to face the same situation if we do not get hearings and we do not get passage of other legislation; we will continue to go on half subject and half exempt. Until I see

action taken on the Johnson bill, I would like to see this provision clarified.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

I did not know that the provision in the bill, which this amendment proposes to strike out, was in the least controversial. It was adopted by the committee. I hope the House will defeat the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. McINTIRE].

The question was taken; and on a division (demanded by Mr. McINTIRE) there were—ayes 127, noes 84.

So the amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that title IV be considered as having been read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Title IV of the bill follows:

TITLE IV—COMMODITY PROGRAMS

Subtitle A—Feed grains

SEC. 401. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"PART VII—MARKETING QUOTAS—FEED GRAINS

"Legislative Findings

"SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for products.

"The principal grains used for livestock feed are corn, barley, grain sorghums, and oats. Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

"The diversion of substantial acreages from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more accute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"National Marketing Quota

"SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains not to exceed 7 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is neecssary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"National Acreage Allotment

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production on increased acreages resulting from the small-farm exemption pursuant to section 360f, make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"Apportionment of National Acreage Allotment

"SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b)(2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b)(1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c)(2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subjection (a) of this section shall be used by the Secretary to make increases

in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of new areas coming into the production of feed grains.

"(c)(1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b)(1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farm during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such upward adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under the conservation reserve and other Federal farm programs, established crop-rotation practices on the farm, hardships, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

"(4) the acreage of wheat produced on the farm pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm.

"(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

"Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

"Geographical Applicability

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"Small Farm Exemption

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of twenty-five acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. If the owner or operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage if the acreage of such crop of feed grains exceeded the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"Referendum

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm feed grain base of twenty-five acres or less and who does not elect, pursuant to section 360f, to be subject to the farm acreage allotment. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such reefrendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing qoutas. the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"Compliance

"SEC. 360h. (a)(1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acerage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided,* That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further,* That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield of such feed grain determined by the Secretary for the farm during the base period (as defined in subsection (d)(1) of section 360d) adjusted to the extent the Secretary determines necessary for abnormal factors affecting production.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 337 shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded

in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"Substitution of Wheat for Feed Grains

"SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"Land Use

"SEC. 360j. (a)(1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary pursuant to subsection (e) hereof or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1, of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section. Payments shall be in an amount not to exceed the estimated normal production of feed grains for the acreage diverted, multiplied by 50 per centum of the estimated basic county support rates for feed grains in the case of the 1963 crop, 40 per centum of the estimated basic county support rate for feed grains in the case of the 1964 crop, and 30 per centum of the estimated basic county support rate for feed grains in the case of the 1965 crop. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided*, That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in the Conservation Reserve and other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. Payments may be made in cash or in feed grains. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of feed grains had feed grains been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, malting barley, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(f) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, any payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

"SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provision of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop."

SEC. 402. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediaely following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balance flow of feed grains sothat the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantieies of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers.

SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, oats, grain sorghums, and barley. The term 'feed grains' shall also include rye if the Secretary designates such commodity.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains).

"(12) the term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b)(6)(A) is amended to read as follows:

"(6)(A) 'Market,' in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered or exchanged or to be so disposed of."

(3) Subsection (b)(7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1–June 30;
"Corn, October 1–September 30;
"Cotton, August 1–July 31;
"Oats, July 1–June 30;
"Grain sorghums, July 1–June 30;
"Peanuts, August 1–July 31;
"Rice, August 1–July 31;
"Rye, July 1–June 30;
"Tobacco (flue-cured), July 1–June 30;
"Tobacco (other than flue-cured), October 1–September 30;
"Wheat, July 1–June 30;

"'Marketing year' means, in the case of 'feed grains', the marketing years for the agricultural commodities comprising the feed grains."

SEC. 404. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat,", and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

SEC. 405. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

SEC. 406. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

SEC. 407. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j,".

SEC. 408. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 401 through 407 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

SEC. 409. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for each crop of corn shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products;

"(2) price support for each crop of barley, grain sorghums, oats, and rye, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn, location, and buyer preference;

"(3) if marketing quotas are in effect for the crop of any feed grain, price support for such crop shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of a feed grain for which a marketing quota is not in effect because of disapproval by producers; and

"(5) a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401(b) by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: Notwithstanding any other provision hereof, if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains.

Subtitle B—Wheat

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a suffi-

cient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in 1 year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plant to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 411. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"National Marketing Quota

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat, not to exceed 16 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 412. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"National Acreage Allotment

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production of wheat on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 413. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By striking out "ten" wherever it appears in subsections (a) and (b) thereof and by inserting in lieu thereof "five".

(2) By amending subsection (e) thereof by inserting the following sentence immediately following the eighth sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support."

(3) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(4) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(5) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

Geographical Applicability

SEC. 414. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end of section 334 thereof the following new subsection: "(i) This part III shall be applicable to the continental United States excluding Alaska."

SEC. 415. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Small Farm Exemption

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a base of fifteen acres or less (hereinafter called 'small-farm base acreage') if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1957, 1958, 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator elects to be subject to the farm acreage allotment and marketing quota the acreage allotment for the farm shall be the larger of (i) the allotment otherwise determined for the farm, or (ii) the small-farm base acreage for the farm established on the basis of the crops for the calendar years 1957, 1958, 1959, 1960, and 1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of the acreage allotment or the small-farm base acreage determined for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 416. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Referendum

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a small-farm base acreage for such crop of wheat and who does not elect, pursuant to section 335, to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to

the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 417. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by deleting the provisions thereof and substituting the following:

"Substitution of feed grains for wheat

"SEC. 337. Notwithstanding any other provision of law, the Secretary shall permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, as the Secretary determines will not adversely affect the operation of this program."

SEC. 418. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"Land use

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary under the provisions of subsection (f) of this section, or (ii) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments shall be made in amounts determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Payments shall be in an amount not to exceed the estimated normal production of wheat for the acreage diverted, multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under the land-use provisions for feed grains pursuant to section 360j, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors adversely affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share. The producers on a new farm shall not be eligible for payments hereunder. Payments may be made in cash or in wheat. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of wheat had wheat been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of unintentional failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(f) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 419. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual

production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of the Agricultural Adjustment Act of 1938, as amended, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the corp is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By amending paragraph (3) to read as follows:

"(3) The farm marketing excess for wheat shall be considered as available for marketing, and the penalty shall be computed upon twice the normal production of the excess acreage. Whereupon the application of the producer for an adjustment of penalty, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than twice the normal producting thereof, the difference between the amount of the penalty as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer."

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By amending the first sentence of paragraph (8) redesignated by this section as paragraph (7) to read as follows: "Until the penalty is paid on the marketing excess of wheat each bushel of wheat produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution."; and by adding at the end of such paragraph the following sentence:

"If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 420. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 421. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 422. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 410 through 421 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963 or any subsequent year.

Wheat Marketing Allocation Program

SEC. 423. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"Subtitle D—Wheat marketing allocation

"Legislative Findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"Wheat Marketing Allocation

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation, which shall be the amount of wheat used during the marketing year for human consumption in the United States and exports on which marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota of wheat during the calendar year in which such marketing year begins. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the estimated yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage.

"Marketing Certificates

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the estimated yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"Marketing Restrictions

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such

producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary, and subject to such regulations as he may prescribe, to secure the purchase of and payment for such marketing certificates as may be required, any person required to have marketing certificates in order to market or export a commodity may market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"Assistance in Purchase and Sale of Marketing Certificates

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases and in the purchase and sale of marketing certificates to make such discounts and charge such premiums not exceeding 5 per centum of the face value of the certificate as the Secretary shall determine necessary to encourage the purchase and sale of such certificates through commercial channels.

"Conversion Factors

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"Authority To Facilitate Transition

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"Reports and Records

"SEC. 379h. This section shall apply to warehousemen, processors, and exporters of wheat and food products containing wheat, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"Penalties

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer who is subject to subsection (c) of this section, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forefeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"Regulations

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 424. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b);

"(2) price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains;

"(3) if marketing quotas are in effect for the crop of wheat, price support shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of wheat for which marketing quotas are not in effect because of disapproval of quotas by producers;

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101; and

"(6) a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: *"Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a certificate and wheat sold shall be accompanied by a certificate."

(3) By adding at the end of section 407 the following new sentence: "Notwithstanding any other provision hereof, if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during the marketing year not to exceed two hundred million bushels of wheat."

Subtitle C—Dairy

SEC. 430. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency

dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 431. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided,* That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 percentum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 432. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 433. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 434. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 435. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 436. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing levels. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 437. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point the amendments referred to during the debate, copies of which have been filed with the minority members of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

Amendment offered by Mr. JENNINGS: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection."

Amendment proposed by Mr. MATTHEWS: On page 36, beginning on line 4, and page 60, beginning on line 21, strike out item (1) and insert:

"(1) that the diverted acres shall be devoted to conservation uses that will maintain the land free from erosion, weeds, insects, and rodents as approved by the Secretary: *Provided,* That summer fallow and idle land will not be considered a conservation use of farms that did not follow such conservation uses during 1959 and 1960;".

Amendment offered by Mr. MATTHEWS: On page 16, beginning with line 21, strike out down through the period in line 22.

On page 41, line 13, strike out "oats."

Amendment offered by Mr. JENNINGS: On page 27, line 16, and on page 28, line, 14, strike out "twenty-five" and substitute "forty."

Amendment offered by Mr. MCSWEEN: On page 47, line 1, beginning after the comma, strike out down through line 6 and substitute the following: "if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

On page 81, line 16, beginning after the comma, strike out down through line 21 and substitute the following: "the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

Amendment offered by Mr. POAGE: On page 40, between lines 18 an 19, insert the following:

"SEC. 3601. Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) any acreage so devoted to feed grains shall not be considered as feed grain acreage

for purposes of determining the farm marketing excess, (2) price support shall be restricted to that percentage of the total production of feed grains on the farm equal to the percentage that the farm acreage allotment for feed grains bears to the total acreage of feed grains on the farm, (3) the land-use provisions of section 360j shall be inapplicable to a farm on which any acreage is so devoted to feed grains, and (4) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360j, 379c of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

Amendment offered by Mr. POAGE: On page 38, line 8, insert immediately after "malting barley," the following: "other annual field crops for which price support is not made available,".

On page 38, line 18, change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

Amendment offered by Mr. BREEDING: On page 36, line 22, after "farm" insert a colon and the following: *"Provided,* That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

On page 61, line 14, after "farm" insert a colon and the following: *"Provided,* That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

Amendments offered by Mr. JENNINGS:

On page 53, beginning with line 1, strike out down through line 8 and substitute the following:

"(2) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'."

On page 53, between lines 21 and 22, add the following:

"(6) By adding at the end thereof the following new subsection:

"'(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.'"

Amendment offered by Mr. BASS of Tennessee: On page 88, line 15, strike out "or sewer" and insert "or outside metropolitan areas, municipalities and adjacent areas within 50 miles sewer".

Amendments offered by Mr. MCSWEEN:

On page 45, line 3, strike out "price support for each crop of corn" and substitute "if marketing quotas for any crop of feed grains are not disapproved by producers, price support for corn of such crop".

On page 45, between lines 15 and 16, insert the following new paragraph:

"(2) if marketing quotas for any crop of feed grains are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as will not result in a net increase in stock of the Commodity Credit Corporation and as the Secretary determines appropriate after consideration of the factors specified in section 401(b)."

On page 45, line 16, renumber paragraph (2) as paragraph (3).

On page 45, beginning with line 23 strike out down through line 25, and substitute the following:

"(4) price support for feed grains shall be made available only to cooperators."

On page 46, beginning with line 1, strike out down through line 3.

On page 46, line 4, insert at the beginning of paragraph (5) the following: "if marketing quotas are in effect for the crop of feed grains".

On page 46, line 13, after the period insert the following: "if marketing quotas are not in effect for the crop of feed grains, a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains."

On page 46, between lines 13 and 14, insert the following:

"(6) the term 'feed grains', as used in this section, means feed grains as defined in section 301 of the Agricultural Adjustment Act of 1938, as amended."

On page 80, line 6, immediately preceding "price support" insert "if marketing quotas are in effect for wheat".

On page 80, lines 12–13, strike out "if marketing quotas are in effect for the crop of wheat".

On page 80, beginning with line 15, strike out down through line 17 and substitute the following:

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as will not result in a net increase in stocks of the Commodity Credit Corporation and as the Secretary determines appropriate after consideration of the factors specified in section 401(b),".

On page 80, line 21, at the beginning of paragraph (6) insert the following: "if marketing quotas are in effect for the crop of wheat,".

On page 81, line 6, after the period insert the following:

"If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat."

Amendments offered by Mr. JENNINGS:

On page 38, line 19, strike out subsection (f) and substitute the following:

"(f) During the crop years 1963, 1964, and 1965 the diverted acreage may be grazed at the producer's option, but no payment shall be made for acreage which is grazed."

On page 35, line 5, strike out paragraph (3) and substitute the following:

"(3) Beginning with the crop year 1966, the Secretary may, pursuant to regulations prescribed by him, permit the diverted acreage to be grazed in order to alleviate hardship arising from drought, flood, or other emergency conditions."

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. VANIK. Mr. Chairman, although there is not one farm in my district, I feel impelled to state my position on the farm legislation which we are now considering.

In my community, there is general disgust with the high cost and the great waste of our annual agricultural surpluses. I suppose most people would like to eliminate the entire program, including what remains in the law from the Brannan program, the Benson program, and what is promised under the Freeman program. The general feeling is that enough is enough.

Personally, I am not so discouraged. While the agricultural programs of this country have been wasteful and extravagant, they have nevertheless provided bountiful reserves of food which are the envy of the entire world. In this century, the development of modern agriculture in the United States ranks perhaps foremost in the achievements of mankind—outranking our progress in mass production, the development of air travel, and the probes of space. The scientific development of agriculture in the United States and the conquest of hunger in the world may well prove to be the giant step of this century.

These plans—all of them—have in one way or another contributed to the development of agricultural science. There has been waste, there has been extravagance; but there also has been a stimulus for higher productivity on less land. The farmer as a businessman is second to no one for ingenuity. Whatever the plan or program, he has always managed to find a path to farm profits.

Immoderate surpluses are wrong. If the land is used to create waste, it is being abused. On the other hand, there are some advantages to moderate surplus accumulations. A moderate surplus serves to depress and reduce consumer prices. The risk of shortage is avoided. The risk of high prices and shortage speculation is eliminated. Meat and poultry prices have been moderate. If the entire termination of surplus programs were to be brought about, it could result in substantial increases in the price of beef, pork, veal, lamb, and poultry, which would be far more costly to the individual consumer than his pro rata contribution to the farm program. With sirloin steak at 79 cents a pound and dressed chicken at 29 cents a pound, the consumer is reaping a daily benefit from the farm program, which must not be overlooked and which should not be eliminated.

Frankly, there are many serious objections to the farm program beyond the problems of costly surplus accumulation and Government subsidies. For too long a time and in too many ways, the farm program has been adminis-

tered as the private domain of "big business" farm operators. If the price support program were limited to the smaller farmers with a loan limitation of $25,000 or even $50,000, the program would become less costly. Neither side seems to want that kind of an approach.

Nor do I believe that farm program should be adopted by a vote of certain farmers participating in a farmer's plebiscite to determine what kind of a program should be adopted. That decision ought to be made by Congress on the basis of what is good for America rather than what is good for the farmer. Congress should not be permitted to divest itself of the ultimate responsibility. If we believe in the cutback of acreage or the reduction of surplus-producing parity, we ought simply to cut back the levels of parity payments.

Under our agricultural programs, the farmer with acute business acumen has devised many things he can sell besides agricultural products. When the cotton farmer cut back cotton production for higher prices, he converted his unused farmland to feed grains. When his feed grain land is cut back, he will try to convert the land to sugar and take advantage of the sugar bill we just passed. When the farmer has run out of all other uses for his land, he will simply apply to the Area Redevelopment Administration and seek to redevelop it as an industrial site. In the meanwhile, he may have sold his crop allotment to someone else and earned money on a franchise or license on land which is not even available.

The law and regulations relating to the transfer of crop allotments have created rights in land never fully anticipated by Congress. Thus, in addition to the commodity markets, we have created markets in crop allotments and parity credits which have created private rights unrelated to farm productivity or any other discernible public purpose.

In spite of all of my grave concerns, I expect to vote for the Freeman program. I believe it deserves a trial—at least the same kind of trial we gave predecessor programs. My hope is that it will work—that it can perform the "miracle" of reduced surplus, reduced public costs, higher farm income, and low consumer prices. If it fails to move the farm program in the right direction, we can abandon the approach next year and search for another alternative. Although I do not expect a panacea, I do hope for a solution to the problem which the farmer can live with and which the people of America can accept.

It is also my hope that the Secretary of Agriculture and his entire Department will come to the realization that the farm program involves every American—that the Department of Agriculture can no longer remain as the farmers' private domain. Time is running out on popular support for farm programs. In order to watch over consumer interests, it would be extremely helpful to establish an office for an Assistant Secretary of Agriculture for Consumer Interests to be headed by a responsible leader in urban affairs to "watchdog" activities in the Department of Agriculture which may prove prejudicial or harmful to the vital interests of the urban resident who pays the bill.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, can the gentleman tell us what is proposed to be done on Friday of this week?

Mr. ALBERT. At this time I am not able to advise the gentleman.

Mr. GROSS. Will there be a session on Friday?

Mr. ALBERT. I am not able to advise the gentleman of that at this time.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, reserving the right to object——

The SPEAKER. The Chair is sorry, but the gentleman did not exercise his rights under the rule. His reservation comes too late.

SUBCOMMITTEE NO. 5 AND SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5, and the Special Subcommittee on State Taxation of Interstate Commerce of the Committee on the Judiciary may be permitted to sit during general debate for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. ANDERSEN of Minnesota. I object, Mr. Speaker.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ANDERSEN of Minnesota. Could the House revert to the position just before the last objection I made to give me an opportunity to say what I wanted to say?

The SPEAKER. The Chair will recognize the gentleman. Does the gentleman reserve his right to object to this request?

Mr. ANDERSEN of Minnesota. I was reserving the right to object to the previous request.

The SPEAKER. The Chair put the question, and the gentleman did not reserve the right to object.

Mr. ANDERSEN of Minnesota. Mr. Speaker, then all I can do is to insist on objecting to all other requests.

The SPEAKER. If the gentleman will withdraw his objection and reserve the right to object, then the Chair will recognize the gentleman.

Mr. ANDERSEN of Minnesota. Well, I wanted to reserve the right to object to the preceding request, Mr. Speaker.

The SPEAKER. Unfortunately, the gentleman did not manifest that intention, and the unanimous-consent request was agreed to.

Mr. ANDERSEN of Minnesota. Well, I will reserve the right to object at this time, then, Mr. Speaker. I do not want to be obstinate.

The SPEAKER. In other words, the gentleman reserves the right to object to the unanimous-consent request made by the gentleman from Oklahoma?

Mr. ANDERSEN of Minnesota. It was my intention, Mr. Speaker, to ask, relative to the 11 o'clock situation, as to what was going to be the attitude of the conferees on this so-called duck-hunters amendment which the gentleman from Wisconsin [Mr. REUSS] put in the bill and cluttered it up with, but I did not have the opportunity. At least, Mr. Speaker, I will now withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE 99TH BIRTHDAY OF THE STATE OF WEST VIRGINIA

(Mr. BAILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY. Mr. Speaker, a tribute to the State of West Virginia is appropriate on any date. However, the 99th anniversary of West Virginia's statehood is a highly significant occasion.

On June 20, 1863, West Virginia entered the Union with a constitution which provided for gradual emancipation of slaves. It has been said time and time again that West Virginia was born out of the struggles of the Civil War. But actually this birth was not a sudden thing. For decades the rugged individuals, who occupied the mountain and valley regions of what was the western portion of the Commonwealth of Virginia, had diligently searched for that independence of mind, body, and soul which was found in the hardy and fearless pioneer. The pioneers of West Virginia were indeed fearless in their endeavors to make for themselves and their families a way of life dedicated to the principles which were firmly written into the Declaration of Independence and the Constitution of the United States.

George Washington wrote one of the most famous of West Virginia's early journals. This was done in 1748 after his surveying trip through the moun-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued June 22, 1962
For actions of June 21, 1962
87th-2d, No. 102

CONTENTS

Appropriations.....14	Export control.....13	Poultry..... 1
Area redevelopment.....27	Extension work.....38	Prices.....11,22
Atomic energy.....18	Farm labor.....21,28	Procurement..... 8
Budget.....24	Farm program.....11,20	Public works.....25
Census.....33	Fibers..... 4	Reclamation..... 2
Civil defense..... 3	Foreign affairs.....39	Retirement.....16
Communications..... 6	Forestry.....2,29,40,41	Seeds.....36
Contracts.....15	Grain.....26	Small business.....32,35
Crop insurance..... 1	Guam..... 1	Stockpiling.....4,34
Data processing.....15	Imports.....27	Sugar.....23,43
Defense production..... 5	Information.....27	Taxation..... 7
Disasters.....11,32	Legislative program.....19	Tobacco..... 1
Education.....31	Livestock..... 1	Transportation.....17,19
Electrification.....12	Patents.....37	Virgin Islands..... 2
Expenditures.....10	Personnel.....9,16,30	Watersheds.....11,43

HIGHLIGHTS: House recommitted farm bill. Senate committee reported bills to extend time for filing tobacco allotment lease transfers and increase number of counties in crop insurance program. Senate committee voted to report bill to grant national forest status to certain Taylor Grazing Act lands.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 10443

S. J. Res. 201, with amendment, to extend the time by which a lease transferring a tobacco allotment may be filed (S. Rept. 1612).

S. 2859, without amendment, to increase from 100 to 150 the number of new counties in which crop insurance may be offered each year (S. Rept. 1614).

S. 3120, without amendment, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry (S. Rept. 1615).

S. 2121, without amendment, to authorize the Secretary of Agriculture to establish and maintain Federal agricultural services on Guam (S. Rept. 1613).

2. INTERIOR AND INSULAR AFFAIRS COMMITTEE voted to report (but did not actually report) the following bills: pp. D500-01

H. R. 9822, to grant national forest status to certain lands acquired under the exchange provisions of the Taylor Grazing Act.

S. 3112, with amendment, to add certain lands to the Pike National Forest in Colo. and to the Santa Fe and Carson National Forests in N. Mex.

S. 2429, with amendment, to revise the boundaries of the Virgin Islands National Park.

S. 114, to authorize construction of the Waurika reclamation project, Okla.

S. 405, to authorize construction of the Mann Creek reclamation project, Ida.

3. CIVIL DEFENSE. Passed without amendment H. R. 11743, to extend to June 30, 1966, the emergency authority of the President under the Federal Civil Defense Act to deal with the effects of an enemy attack on the Nation. This bill will now be sent to the President. p. 10498

4. STOCKPILING. Agreed to, without amendment, H. Con. Res. 473, providing the express approval of the Congress for the disposition of certain materials from the National stockpile, including silk noils, abaca fiber, sisal fiber, vegetable tannins, and castor oil. This measure will now be sent to the President. pp. 10460-6

5. DEFENSE PRODUCTION. Passed as reported S. 3203, to continue the Defense Production Act for one year, until June 30, 1963. pp. 10466-7

6. COMMUNICATIONS. Continued debate on H. R. 11040, to provide for the establishment of a commercial communications satellite system. pp. 10454-60, 10469-76

7. TAXATION. At the request of Sen. Smathers, H. R. 11879, to extend for one year the existing corporate normal tax rate and certain excise tax rates, was referred to the Finance Committee for further consideration. p. 10498

8. PROCUREMENT. Received from GAO an audit report on the general supply fund of GSA for fiscal year 1961. p. 10442

9. CONFLICT OF INTEREST. Sen. Keating submitted amendments intended to be submitted to H. R. 8140, the conflict-of-interest bill, relating to a system of administrative enforcement for the conflict-of-interest laws, disclosure of certain ex parte communications received by Government agencies from Members of Congress or congressional staff, and gifts to Federal employees by business contacts. pp. 10444-7

10. FEDERAL EXPENDITURES. Sen. Byrd, Va., inserted a Wall Street Journal article "on what to expect from Federal deficit financing." pp. 10452-3

HOUSE

11. FARM PROGRAM. By a vote of 215 to 205, recommitted H. R. 11222, the proposed Food and Agriculture Act of 1962, to the Agriculture Committee. pp. 10501-70, [illegible]

Agreed to the following amendments prior to the recommittal:

By Rep. Bass, Tenn., to provide penalties for the offering or receiving money or gifts in connection with the storage of any agricultural product or commodity. p. 10511

By Rep. Mahon to provide that in establishing farm acreage allotments the the Secretary shall give special consideration to farms on which there were acreages of feed grains during 1961 and/or 1962. pp. 10514-5

By Rep. Mahon to provide that the reserve acreage under the national acreage allotment shall not exceed 4 percent. p. 10514

By Rep. Harding to provide that payments for diverted acreage shall be based on the higher of the estimated basic county support rate for feed grains or the national average support rate for feed grains. p. 10515

By Rep. Johnson, Wis., to provide that the dairy provisions of the bill will run until October 1, 1963. pp. 10525-8

By Rep. Jennings, 160 to 98, to exempt any farm with a base acreage of forty acres or less from marketing quotas for feed grains. pp. 10529-33

By Rep. Jennings, as amended by a substitute by Rep. Taylor, 123 to 84, to modify the definition of "acreage of feed grains" so as to exclude, at the farmer's option, the acreage of feed grains harvested for silage. pp. 10533-6

By Rep. Jennings, 150 to 76, to delete from the bill the provision exempting farms receiving increased acreage allotments from the land use provisions, and to limit to the 1962 crop the provisions of existing law for increasing durum wheat acreage allotments, and to provide a method for increasing acreage allotments for particular kinds of wheat for which the Secretary determines there will be an inadequate supply. pp. 10536-9

By Rep. Matthews, 148 to 106, to delete from the legislative findings of marketing quotas--feed grains the statement, "The principal grains used for livestock feed are corn, barley, grain sorghums, and oats," and to delete oats from the definition of the term "feed grains," pp. 10541-5

By Rep. McSween, 132 to 99, to modify provisions of the bill regarding marketing quotas for wheat and feed grains. pp. 10545-6

By Rep. Jennings, 126 to 109, to permit diverted acreage to be grazed at the producer's option during the crop years 1963, 1964 and 1965, and to authorize the Secretary to permit diverted acreage to be grazed in disaster areas beginning with the 1966 crop year. p. 10547

By Rep. Matthews, 103 to 89, to provide that diverted acres shall be devoted to conservation uses that will maintain the land free from erosion, weeds, insects, and rodents as approved by the Secretary, and providing that summer fallow and idle land will not be considered a conservation use of farms that did not follow such conservation uses during 1959 and 1960. p. 10557

By the Agriculture Committee, 267 to 151, to authorize the Secretary to exempt feed grain producers in deficit areas from the marketing quota provisions of the bill. p. 10569

By Rep. McSween, 158 to 101, to delete the provisions amending the Watershed Protection and Flood Prevention Act which would have increased the flood prevention capacity limitation from 5,000 acre-feet to 12,500 acre-feet, authorized the Secretary to assist local organizations in developing water supply for future use in watershed projects, clarified the Government's authority to provide engineering services for municipal and industrial water supply on a reimbursable basis, and restated the application of the act to the 11 watershed improvement programs authorized by the Flood Control Act of 1944. p. 10569

By Rep. Latta, 145 to 101, to limit to $25,000 the maximum payment to any one participant in the wheat program. p. 10558

Rejected the following amendments:

By Rep. Latta to provide that producers in deficit areas who have been exempted from the marketing quota provisions of the bill will be eligible to vote in any referendum on marketing quotas for such crop. pp. 1508-9

By Rep. Dole, 40 to 81, to eliminate the provision from the bill providing for declining scale diversion payments under land-use. pp. 10509-11

By Rep. Abernethy to exempt from the marketing quota provisions of the bill feed grains that are not removed from the farm and are used for seed on the farm or fed to livestock owned by the producer. pp. 10515-25

By Rep. Dent, as a substitute for the amendment by Rep. Abernethy, to redefine the exemptions from the marketing quota for feed grains. pp. 10519-25

By Rep. Hemphill, as a substitute for an amendment by Rep. Johnson, Wis., 86 to 108, to delete the dairy provisions from the bill. pp. 10525-8

By Rep. Poage, 88 to 136, to prescribe conditions under which a farm acreage allotment for any commodity which is not utilized for the production of that commodity because of adverse weather conditions may be devoted to the productio of feed grains. pp. 10539-41

By Rep. Quie, as a substitute for the amendment by Rep. McSween, to provide that if marketing quotas for wheat or feed grains are disapproved by producers, price support shall be made available at 50 percent of the parity price to all producers, and to prohibit CCC from selling wheat or feed grains at less than 80 percent of the parity price. pp. 10545-6

By Rep. Dominick, as an amendment to the amendment by Rep. McSween, to prohibit CCC sales of wheat or feed grains except as authorized under the National School Lunch Act, the Agricultural Trade Development and Assistance Act of 1954 or current mutual security programs. p. 10546

By Rep. Dole, to modify the authority of the Secretary to permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains. p. 10559

By Rep. Dole, 109 to 169, to provide that wheat producers shall not be deemed to have exceeded a wheat allotment if the excess wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of penalties. p. 10559

By Rep. Dole, to provide that farm wheat allotments shall not be reduced on any farm below such acreage that would result in idling more than one-half of the cropland on the farm. p. 10559

By Rep. Dole, to provide that payments on diverted feed grains acreage shall be the same for the 1964 and 1965 crops as that specified for the 1963 crop. p. 10559

By Rep. Dole, to strike out language providing for the use of a 5-year (instead of the present 10-year) acreage history in determining State and county wheat allotments. p. 10559

By Rep. Dole, to provide that each producer shall have the option to retain and carry forward to a subsequent year any wheat marketing certificates and that the Secretary shall adjust the farm acreage allotment accordingly in such subsequent year. p. 10559

By Rep. Dole, 126 to 182, to provide that the provisions of title IV, relating to commodity programs for feed grains, wheat, and dairy products, shall remain inoperative until completion of the congressional investigation of the Billie Sol Estes case. p. 10559

By Rep. Breeding to provide that the land use requirement to devote wheat and feed grains acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under the commodity programs of any acreage allotment in effect for any commodity on the farm. pp. 10546-7

By Rep. Stratton relating to payments by handlers of dairy products. pp. 10548-57

By Rep. Smith, Ia., 47 to 120, to provide that acreage allotments shall be apportioned on the basis of the base acreage of feed grains for each during the base period, tillable acreage, crop-rotation practices, types of soil, and topography, and to provide that no referendum with respect to the national marketing quota for the 1963 crop shall be held and the penalty provisions with respect to feed grains shall not apply to the 1963 crop. p. 10557

By Rep. May, 123 to 149, to provide that marketing quotas for wheat or feed grains shall not go into effect if less than one-half of the eligible farmers vote in the referendum. p. 10558

By Rep. Mahon to provide that in apportioning the national allotment the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period in order to permit the full utilization of any acreage allotment in effect for any commodity on the farm. p. 10558

By Rep. Mahon to provide that the Secretary may permit the diverted acreage to be devoted to the production of other annual field crops for which price support is not made available, and that no price support shall be made available for the production of any such crop on diverted acreage. p. 10558

By Rep. Jensen, 154 to 202, to provide that not more than one vacancy out of four shall be filled, until the personnel, provided for in the budget has been reduced by at least 5 per centum. p. 10565

By Rep. Battin, to provide that the Secretary shall not proclaim allotments and quotas on wheat or feed grains on farms in disaster areas and that price supports shall be provided for these commodities in such areas. p. 10560

By Rep. Nelsen, 88 to 167, to provide that the 5 year period, 1956 through 1960, shall be used in establishing the feed grains base (instead of the 2 year period 1959 and 1960). p. 10560

By Rep. Nelsen, to provide that payments on diverted wheat acreage shall in no case be less than an amount equal to interest on investment plus assessed real estate taxes. p. 10560

By Rep. Hoeven, 122 to 224, to strike out title IV, relating to commodity programs and substitute a voluntary feed grain program for one year and extend the present wheat program for one year. pp. 10511-60

By Rep. Hoeven, 128 to 202, to prohibit the Farmers Home Administration from furnishing planning and other financial assistance to local public and quasi-public nonprofit groups for sewer systems. p. 10560

By Rep. Hosmer, 87 to 172, to abolish farm price support programs within three years and direct CCC to dispose on reasonable terms and conditions its supplies of surplus commodities. p. 10564

By Rep. Griffin, 171 to 230, that "Notwithstanding any other provision of law, the total number of employees in the Department of Agriculture shall at no time exceed the number of farmers in America." p. 10565

12. ELECTRIFICATION. Rep. Johnson, Wisc., commended the REA program, stating that "No other federally sponsored program has done so much to help this Nation's farmers help themselves to achieve a better way of life." pp. 10574-5

13. EXPORT CONTROL. Rep. Lipscomb submitted amendments intended to be proposed to H. R. 11309, to extend the Export Control Act. p. 10582

14. DISTRICT OF COLUMBIA APPROPRIATION BILL, 1963. The Appropriations Committee was granted permission until midnight Fri., June 22, to file a report on this bill, p. 10570

15. DATA PROCESSING; CONTRACTS. Received a GAO report on the review of selected aspects of awards of Federal supply schedule contracts for the rental of electronic automatic data processing equipment by the Federal Supply Service of GSA and the administration of the contracts by selected Federal agencies using the rented equipment. p. 10585

16. PERSONNEL. Received from CSC the annual report of the Board of Actuaries of the Civil Service Retirement System for fiscal year 1961 (H. Doc. 445). p. 10585

17. TRANSPORTATION. The Rules Committee reported a resolution for consideration of H. R. 11643, to provide that users of motor-water services between Alaska or Hawaii and other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or of any combination of service with air services among the 50 States. p. 10586

18. ATOMIC ENERGY. The Joint Committee on Atomic Energy reported with amendment H. R. 11974, to authorize appropriations for the Atomic Energy Commission (H. Rept. 1871). p. 10585

19. LEGISLATIVE PROGRAM. Rep. Albert announced that H. R. 11643, relating to transportation routes and rates between the States and Hawaii or Alaska, will be considered Fri., June 22. p. 10572

ITEMS IN APPENDIX

20. FARM PROGRAM. Extension of remarks of Reps. Goodling, Rousselot, and Derounian inserting articles opposing the farm bill. pp. A4689, A 4690-1, A4705
Extension of remarks of Rep. Bass inserting an article favoring the farm bill. pp. A 4695-6
Speech in the House by Rep. Andersen opposing a proposed amendment to the farm bill on the wetlands drainage provision. pp. A 4694-5

21. FARM LABOR. Extension of remarks of Sen. Williams, N. J., inserting articles commending a group of students who are trying to "ease the plight of the migrant children." pp. A4696-7

22. PRICES. Extension of remarks of Rep. Holifield inserting a statement in support of the proposed quality stabilization bill. pp. A4704-5

23. SUGAR. Extension of remarks of Rep. Harsha inserting an article, "Over Half Million Dollars In Fees--Bonanza Due Many Lobbyists In Wake of New Sugar Bill," and stating that it "brings out very vividly some of the objections I had to the sugar bill." pp. A4706-7

24. BUDGET. Extension of remarks of Rep. Multer inserting an article, "For An Economic Budget." pp. A4713-4
Extension of remarks of Rep. Ullman inserting an article which "explains the difference between the various types of budgets and helps to clarify this important matter." pp. A4717-9

25. PUBLIC WORKS. Extension of remarks of Rep. Blatnik urging House action on the public works program bill and inserting a list of the places currently eligible under the bill. pp. A4721-3

26. GRAIN; INFORMATION. Extension of remarks of Rep. Beckworth inserting letters in answer to requests he has made for certain grain information. pp. A4725-6

BILLS INTRODUCED

27. IMPORTS. S. 3456 by Sen. Smathers, to authorize assistance under the Area Redevelopment Act in the case of any area which has been adversely affected by the imposition by the United States of an embargo on the importation of products from Communist or Communist-dominated countries; to Banking and Currency Committee.

28. FARM LABOR. S. 3457 by Sen. McCarthy, to amend title 3 of the Sugar Act of 1948 to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms; to Finance Committee. Remarks of author p. 10444

House of Representatives

THURSDAY, JUNE 21, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hosea 14: 9: *The ways of the Lord are right, and the just shall walk in them.*

Eternal God, in this moment of prayer, may our languid and listless spirits be refreshed and renewed by Thy divine spirit to carry out faithfully the high and holy mission with which we have been entrusted.

We penitently confess that we need to be rescued from those rebellious and resentful moods of mind and heart which tempt us to repudiate and resist Thy wisdom and will, and follow the paths of our own choice.

Grant that it may not only be our highest aspiration and noblest obligation but our most sacred privilege and supreme delight to walk in the ways which Thou hast marked out for us and to work with Thee in establishing Thy kingdom of peace upon this earth.

May Thy name be glorified. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia have until midnight Saturday to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 663) to provide additional funds for the Committee on the Judiciary.

The Clerk read the resolution, as follows:

Resolved, That, effective January 10, 1962, the expenses of conducting the studies authorized by Public Law 272 of the Eighty-sixth Congress, as amended, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $100,000 including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman of such committee and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TRANSFER OF CERTAIN FUNDS WITHIN CONTINGENT FUND

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 694) authorizing the transfer of certain funds within the contingent fund of the House of Representatives, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That such funds as may be necessary to liquidate the 1962 obligations may be transferred, within the contingent fund of the House of Representatives, from "Miscellaneous Items, 1960", to "Special and Select Committees, 1962".

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. MACK. Mr. Speaker, I made the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll. No. 122]

Addonizio	Fino	Michel
Alford	Flood	Powell
Ashley	Frelinghuysen	Rains
Blatnik	Garland	Riehlman
Blitch	Glenn	Riley
Breeding	Gray	St. Germain
Byrnes, Wis.	Hoffman, Mich.	Saund
Cederberg	Holifield	Sheppard
Celler	Horan	Smith, Miss.
Curtis, Mass.	Lindsay	Spence
Davis, Tenn.	Loser	Stubblefield
Dawson	Madden	

The SPEAKER. On this rollcall, 399 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF THE RECORD

Mr. JONAS. Mr. Speaker, on page 10429 of the CONGRESSIONAL RECORD for June 20, 1962, the caption of a statement I made, reads as follows: "Tariff Commission Shall Act Now on Section 22 Case." This caption should read as follows: "Tariff Commission Should Act Now on Section 22 Case."

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CORRECTION OF ROLLCALL

Mr. HALPERN. Mr. Speaker, on rollcall No. 121, on June 20, 1962, a quorum call, I am recorded as absent. I was present, and answered to my name. I asked unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, title IV of the bill was considered as having been read. The Clerk will report the first committee amendment to title IV.

The Clerk read as follows:

Committee amendment: On page 25, line 17, strike out the quotation marks following the word "farm."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 25, line 18, insert:

"(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and rea-

sonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

"Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

Mr. HAGEN of California. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I wish to express my profound disgust at the actions of cynical advocates of high price supports and rigid crop controls, who blandly urge these principles for all farmers and then proceed to exempt from controls their particular friends and constitutents by little understood amendments of the law.

This bill is honeycombed with such exemptions—either adopted or proposed. They are the following: First, authority in the Secretary to exempt farmers in so-called feed deficit areas; second, exemption of farms with a feed base of no more than 40 acres; third, exemption of oats and silage as feed grain crops; fourth, exemption of cotton, wheat, rice, peanut, and tobacco farmers who for some reason cannot plant or harvest their allotted acres of these other privileged crops; and fifth, finally the release and reapportionment provision contained in the committee bill which is designed to secure increased production in a limited geographic area of the country. I now speak in opposition to the release and reapportionment language of the bill to the end that the bill will better represent a program of control and reduction of Government costs.

I address myself principally to urban area Democrats and to Democrats from the historically great Corn Belt States: Iowa, Illinois, Indiana, Ohio, Minnesota, Wisconsin, Missouri, and Nebraska and to those Congressmen representing rural areas of New York and Pennsylvania, who will be most hurt by this legislation if my amendment is not adopted.

These exemptions are not designed for your farmers and if they are not eliminated your farmers will be locked in a collar of controls and farmers elsewhere will be producing to their maximum capacity. It is my feeling that these great Corn Belt States should receive equity in this bill from the standpoint of the national interest because they house the most efficient producers of feed grains.

The proposed release and reapportionment provision of the bill are designed to help big farmers in areas which contain many part-time farmers and marginal farms. It permits the larger farmers in those areas to acquire all the acreage they want in complete contravention of the control aspects of the bill and in derogation of its announced cost-reducing justification. The language is lifted almost verbatim from the cotton law and if this aspect of the cotton law were investigated there would be uncovered hundreds of Billie Sol Estes scandals governing cotton allotments because in the case of cotton over a million acres involved compared to a mere 3,200 acres utilized in the Estes case. I have asked the Secretary of Agriculture to conduct an investigation of this aspect of the cotton law and I am hopeful he will pursue it.

I am hopeful that the House will refuse to adopt this proposed release and reapportionment amendment of the proposed feed grain law in order that we do not repeat the error of the cotton law which invites fraud and corruption.

Mr. LATTA. Mr. Chairman, I rise in opposition to the amendment.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, I rise in opposition to this amendment and concur in everything the gentleman from California [Mr. HAGEN] has said. I want to congratulate him as a member of the majority party for speaking out as a great American in opposition to this proposed amendment.

We have heard a lot during the last several weeks about the Billie Sol Estes case, which was brought about, as the gentleman from California has adequately pointed out, by a provision similar to this in the cotton acreage law. I think every Member of the House who wants to prevent similar scandals throughout the United States should take a look at this proposed amendment, which appears on page 25, and read it carefully. Let me read just the first part of this amendment so that you will understand exactly what is proposed. Beginning on line 18 it states:

Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains.

If any more authority is granted or needed, I would like to know what that might be. Under this language, the county committee could do anything it so desired with these allotments. How easy it would be for another Billie Sol Estes in the feed grain area to go out to a farmer and convince him to voluntarily surrender his allotment to the county committee. The county committee could then turn it over to that interested individual. I am not saying that would happen, but I am saying that it could happen. When you passed the language which permitted Billie Sol Estes to operate as he did in cotton acreage allotments, you did not say it was going to happen, but somebody on this floor should have said it could happen. And it did happen; and I am pointing it out, if this amendment prevails—it could happen in certain feed grain areas in the United States. I say, if you want to prevent this from happening, then defeat this amendment.

Mr. McSWEEN. Mr. Chairman, I move to strike out the last word and rise to speak in support of the amendment.

(Mr. McSWEEN asked and was given permission to revise and extend his remarks.)

Mr. McSWEEN. Mr. Chairman and members of the Committee, the gentleman from Ohio just made another reference to Billie Sol Estes. I do not know how many times the Members of the minority plan to use the name of Billie Sol Estes, but I would say to them I do not know what in the world they would do if it had not been for Billie Sol Estes, and perhaps they want to consider making him an honorary Member.

My friends, this amendment has nothing at all to do with the provisions of the existing law by which these alleged irregularities in cotton allotments occurred. This committee amendment adopted by the Committee on Agriculture simply makes in order a provision for the operation of the feed grain legislation proposed, the identical provision that we have in the law with regard to cotton, an amendment that all cotton growers throughout the United States have endorsed without objection. This would simply provide, if you have a quota of feed grains applicable to a county and if a particular producer does not care to grow his share of that quota, that he can return it to the county committee for reallocation.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from California.

Mr. HAGEN of California. Do you not think that this violates the principle of reducing production? If a man has a cotton quota and he does not want to grow it, no one else should grow it.

Mr. McSWEEN. When the Secretary determines the production that is necessary, I do not think it is necessary to go below that determination and I think it is all right for the county in the interest of their own economy to grow the

amount that the Secretary has determined they shall grow.

Mr. HAGEN of California. We have quotas in cotton, for example, and we have overproduction and we have the problem of disposing of this stuff abroad at a cost to the Government of 8½ cents a pound. One more question, Do you not think there is much room for finagling in a situation where these county committees acquire the allotments of farmers who do not want to farm and assign them to other farmers in the area who want to acquire those allotments, and who may be friends?

Mr. McSWEEN. The gentleman knows that there is room for finagling all over the place in any kind of legislation any time, but there is no more room for finagling here than anywhere else.

Mr. HAGEN of California. Under this amendment one farmer could not surrender his acreage to the committee and move clear out into another State.

Mr. McSWEEN. Of course not.

Mr. HAGEN of California. So I say there will be some finagling as a lack of confidence in the integrity of the local committee.

Mr. McSWEEN. You are correct.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. POAGE. The Billie Sol Estes case has been mentioned. The Billie Sol Estes case resulted from moving allotments allowed under the law from one State to another. This prohibits the moving of allotments from one State to another and does not increase the acreage allotment in any county.

Mr. McSWEEN. The gentleman is absolutely correct. It would first be released to the State committee before release to another county and then only within the State.

Mr. POAGE. The Billie Sol Estes case could not have occurred but for the fact that the special law that related to Government seizure of property under condemnation also applied to transfers to other counties and other States and added it to the total allotment of the area to which it was moved.

Mr. McSWEEN. The gentleman is correct.

Mr. POAGE. This law does not allow any transfer to another State.

Mr. McSWEEN. Of course, that is correct, except for the procedure that I have mentioned.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. EDMONDSON. As a matter of fact did not the Billie Sol Estes case come about under the identical legislation that the gentleman from California is trying to force upon us, that the allotment has to stay in the individual's name?

Mr. McSWEEN. The gentleman is absolutely correct, and I thank him for bringing out that fact.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. DENT. Would it not be beneficial in the case of the individual surrendering his allotment or his acreage if that surrendered acreage were kept out of production rather than to let it be exchanged?

Mr. McSWEEN. But the county is entitled to a certain allotment.

Mr. DENT. What would be the case if the quota set by the Secretary results in surplus and the farmer relinquishes the acreage without reducing the amount of acreage which is in quota? I support the gentelman's amendment, but I think we ought to have safeguards.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, in 1958 this Congress passed legislation which would permit the pooling of allotments, all types of allotments. That was done because so many of these big projects are being constructed over the country, the new highway system is being built, and in addition many dams and other Federal projects as well. Whole farms have been taken out of cultivation. In those instances where a farmer lost his entire farm or a considerable acreage thereof, because of a big dam or other project he could put the acreage he had for cotton or other basic crops into cultivation in some other location. He could buy another farm, and operate that new farm, or he could lease the acreage. That is the situation that occurred with respect to the Billie Sol Estes case where whole farms were taken out by virtue of a Government project. The allotments were moved from Oklahoma all the way down to the southern part of Texas to a farm down there that he never operated himself personally at all, but transferred his right under that allotment over to Billie Sol Estes. That situation is entirely different from what we are considering here.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from California.

Mr. HAGEN of California. I will stipulate that there is a distinction without a difference between the law that Billie Sol Estes violated and this law. But the principle and the opportunity for fraud are identical.

Mr. GATHINGS. If the gentleman will just let me proceed.

Mr. HAGEN of California. If we want to avoid a scandal in feed grains we will not adopt this amendment.

Mr. GATHINGS. The gentleman has had his 5 minutes, now let me answer his question. I want to say that the gentleman from California [Mr. HAGEN] is an outstanding member of the Committee on Agriculture. He is highly regarded by the members of the committee. He is one who has opposed our reapportionment legislation all the way down the line. In the case of cotton the allotments would remain at home and not move across State lines.

That is the whole situation.

Mr. HAGEN of California. In a sense the gentleman is correct. We are among the most efficient cottongrowers in the United States and want a larger opportunity to produce.

Mr. GATHINGS. The gentleman is against release and reapportionment on cotton, and has fought it consistently. He is opposed to it in connection with this feed grain proposal.

You folks that come from the Midwest can keep your feed grains at home. You can turn unused allotments over to the county committee, who could place the acreage in the hands of someone who has the equipment and the ability and wants to plant feed grains. If they do not desire to plant it within the county it could be moved to the State committee for redistribution in some other part of the State. It would keep the allotments at home, and it will insure you of the income that may arise from planting them. It is a great law. It kept our cotton land at home. Our cotton acreage has been moving away too fast. The same situation will prevail with respect to feed grains.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman does not contend you could not move from northwest Texas, 700 miles to southeastern Texas under this law?

Mr. GATHINGS. It could be done by the State ASC Committee after receiving such allotments from counties who did not wish to plant them. First you give the opportunity to the feed grain growers if they want to plant that allotment, but the man who transferred it retains the allotment himself on his farm. It belongs to him and to that particular farm.

Mr. BELCHER. But the county committee may surrender the excess acreage to the State committee?

Mr. GATHINGS. In a situation of that kind they may do that when there are no feed-grain growers within that county who wish to grow that acreage. In that event they can transfer it to the State committee for redistribution within the State.

Mr. BELCHER. Seven hundred miles within one State?

Mr. GATHINGS. Within that State.

Mr. BELCHER. Would 700 miles away be home?

Mr. GATHINGS. I do not know how far it would be across some of these States, but it can be done in the State of Texas. They could move the acreage over to Austin for redistribution in that State.

Mr. Chairman, I hope the committee amendment will be agreed to.

Mr. COOLEY. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I am surprised that there is any opposition to this committee amendment, because what we are trying to do is to provide for the grain producers what we have done for cotton. It will not break my heart if the amendment is not agreed to. However, let me say that the cotton surrender and reapportionment provision has operated successfully and well, absolutely and completely free from any sort of scandal.

Billie Sol Estes has nothing to do with this program. It has been administered by county committees throughout the whole cotton-growing area of this vast Nation of ours. I have not heard of one complaint or one suggestion of any corruption in any of the county offices. If it has operated well for cotton, everything indicates it will operate well for feed grain.

The Billie Sol Estes matter came about because property had been seized under the right of eminent domain. There was some legal chicanery carried on, which was involved, and is now being tested in the courts. To bring that up in this debate is absolutely extraneous. It has no place here.

I appeal to the Committee of the Whole to stand by the Committee on Agriculture and approve the amendment that has been written into the bill.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I want to point out that under the terms of this amendment, transfers are made not of allotments, as such, but only the right to plant for 1 year. The Billie Sol Estes case, of course, grows out of the transfer of allotments which gives him the right to plant year after year.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I like this stay-at-home theory. I am going to support the amendment.

I would like to see it applied some time to industry. Let Arkansas keep its cotton and let us keep our industry.

Mr. COOLEY. Mr. Chairman, I ask for a vote.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. TEAGUE of California. It does not seem to me that the chairman should be surprised at the opposition. There were at least 15 votes against this proposal in the committee.

Mr. COOLEY. Eleven, I am told.

Mr. TEAGUE of California. I stand corrected. Eleven. Well, that was formidable opposition.

Mr. COOLEY. Which means it was adopted by a 2-to-1 vote in the committee.

Mr. TEAGUE of California. There are some minority members who feel that 11 is at least some opposition, and the gentleman stated surprise that there was opposition at this time.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Would not this amendment assure that there will be maximum production at a time when we have a tremendous surplus?

Mr. COOLEY. No, no. It is only surrender to the county committee and reallocation to some other farmer in the county. That is all.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Was there any consideration given in the committee to the proposal to put a penalty upon any attempt to sell an allotment or interest in an allotment separate from the land; in other words, to give any compensation for or to accept any compensation for an allotment divorced from the land to which it was assigned?

Mr. COOLEY. That cannot possibly happen under the program.

Mr. EDMONDSON. Would there be any harm done in making it a penal offense to carry on that kind of a transaction?

Mr. COOLEY. I cannot transfer my allotment to you. I cannot sell it to you. I cannot sell it and earmark it to you.

Mr. EDMONDSON. But, under this provision some attempts might be made, which were outlined as likely to happen, to pass some kind of consideration to a county committeeman to get an assignment direct to another producer. Is there any reason why you should not have a provision against that?

Mr. COOLEY. If that should happen, that would result in the commission of a felony punishable by imprisonment in the Federal penitentiary.

Mr. EDMONDSON. That would be as to a payment to a member of the committee. Can that be so as to a payment to a previous owner of the allotment for his influence with the committee to get that transfer?

Mr. COOLEY. The previous owner has no influence over the committee over this allotment, and I have never known of a corrupt act taking place.

Mr. DOLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been amused by the repeated attempts by the majority party in their efforts to pin the label of "obstructionist" on the Republicans. The apparent basis for this is the letter written by Mr. Sorkin last September.

On yesterday the distinguished majority leader stated in effect that Republicans met secretly to work out strategy to oppose the Democratic farm bill. First of all, I feel we should set the record straight on just what farm bill the Republicans were to oppose, for on September 11, 1961, the date of the Sorkin letter, there was no farm bill before Congress, the 1961 Agriculture Act had been passed and signed by the President on August 8, 1961, and the 1962 farm bill was still just a gleam in Dr. Walter Cochrane's eye as it was not introduced until January 31, 1962.

With reference to secret meetings of high-level Republicans, I had assumed it was proper for party officials of either party to meet without advance notice, or an invitation to the other and I would imagine that many meetings have been held with reference to this bill by the majority party leaders; in fact, I think there were a few yesterday right here on the floor of the House. I am certain members of the Republican Party were not invited, nor did they expect an invitation. The feeble attempts to evade the responsibility for the Estes scandal are amusing, but interesting.

Mr. Chairman, I think it is well to recite some of the highlights which have been disclosed thus far by the press, the attorney general of Texas, Will Wilson, and Mr. N. Battle Hales, an employee of the U.S. Department of Agriculture. Both Mr. Will Wilson and Mr. Hales are Democrats.

Mr. Chairman, I followed the Estes case closely, and I do know to which party Mr. Estes belongs. Regardless of party affiliation, those guilty of wrongdoing should be exposed and dealt with accordingly, but the record should show that Estes was a leading Democrat in the State of Texas and was one time considered as a candidate for Governor.

Mr. Chairman, I have here the latest issue of the Saturday Evening Post, which shows a picture on Estes' wall having been autographed by the President and by the Vice President. Mr. Estes was also given a gold engraved certificate for his great monetary contribution to the Democratic Party. Now, I do not think good Democratic friends should turn their backs on Mr. Estes now and use him in an effort to put through this farm bill.

Mr. Chairman, Billie bragged to his friends, "I'll call Orville and if he can't help, I'll call Lyndon, and if he can't help I'll call Jack." This is also stated in this week's Saturday Evening Post. Certainly the members of the majority party should not now turn their backs on Billie.

There have been many inferences about influence, but let's take a look at the facts now available concerning the Estes case. Billie would not settle for any former members of the USDA because he knew that if he wanted favors he must deal directly with the administration in power and those who occupied key positions. The list will certainly grow, but do not forget Billie's close friends.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Iowa.

Mr. HOEVEN. In the Washington Post of June 18, 1962, is an article written by Mr. Fred Ferris, of UPI, reporting on a television interview with Attorney General Kennedy of the United States on issues and answers, when the Attorney General stated:

> The administration has got to take the responsibility for the Billie Sol Estes matter.

Mr. DOLE. Mr. Chairman, I think we might also refer to the five persons in this administration who have departed as a direct result of the Billie Sol Estes scandal. Included is Dr. James T. Ralph, an Assistant Secretary of Agriculture until recently; Mr. Emory E. Jacobs, Deputy Administrator in Charge of Cotton Allotments; William Morris, Jacob's assistant; Jerry Holleman, an Assistant Secretary of Labor; and William Mattox, Texas ASCS official. These are some of Billie's friends who are no longer with the USDA.

Let me remind you, too, about Mr. Estes being appointed to the Cotton Ad-

visory Council Committee after he had paid a fine of $48,000 as a penalty for overplanting his cotton allotment. It also takes something to persuade Department officials to permit continued expansion of grain storage facilities with a completely inadequate warehouse bond. It takes something to obtain 3,123 acres of cotton allotments from farmers in Georgia, Oklahoma, and Texas, which would net Estes between $500,000 and $600,000 a year. It takes something to have a device declared illegal—as were the cotton allotments transfers—and then subsequently have this action rescinded.

We are talking about cotton allotments, and this amendment merely makes it easier for the Estes-type operation to continue, because under the cotton law you have to go to the farmers. In Oklahoma Estes had two ASCS contacts who went out and contacted farmers for Mr. Estes. They were paid so-called "finders' fees" of over $7,000, but strangely they were not punished for this, but only suspended for a period of 2 weeks without pay. Yet, under this proposed amendment one would not have to go to the farmer any more, but would go to the ASCS office, and it would be taken care of there.

Mr. Chairman, these are just a few of the highlights which should be brought out. It should also be pointed out that Mr. Freeman has had only one press conference on the Estes case in a period of 80 days. If anyone wants to discuss the Estes case, let us arrange the time and place, but let us not attempt to shift the responsibility.

Mr. ABERNETHY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with all deference to the entertainers from both sides of the aisle—and I am not trying to reflect on anyone—about the Billie Sol Estes issue, I think we should get that straight. This amendment has no relation to the Estes manipulations.

Mr. Chairman, I can assure the Members of the House that there is absolutely none. The Estes acreage was not obtained through this type of an amendment in the cotton law. The Government in some instances had moved into various other producing areas and through eminent domain procedures acquired farms which had cotton allotments. In acquiring those farms, the law provided that the farmer whose farm was taken by the Federal Government for highways, flood control works, et cetera, could move his allotment to any other county or State in the Cotton Belt. As a result of the acquisition of some farms through this condemnation proceedings, acreage was moved and subsequently acquired by Mr. Estes.

The amendment before the House has nothing whatsoever to do with that sort of situation. The amendment before the House confines the acreage strictly to the county in which the acreage is now, will be next year, and the next and the next. Not one single acre of it can be moved out of the county. No individual farmer can acquire the acreage from a farmer who wishes to surrender. He cannot do it. The acreage must be surrendered to the county ASC committee. The county ASC committee redistributes that acreage in the same manner in which they distribute the original allotments to the county. That is all there is to it. It has worked very well under the cotton law.

I cannot understand why those who have feed grains in their areas are not interested in having such an amendment for the benefit of their farmers. It seems to me to be a very fair amendment.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from California.

Mr. HAGEN of California. I read from the amendment and then will ask the gentleman if he would not care to correct his statement.

If all of the allotted acreage voluntarily surrendered is not needed in the county, the county may surrender the excess acreage to the state committee to be used for the same purposes.

Mr. ABERNETHY. I accept that correction. That is true under the cotton law. But it goes to the State committee and they cannot move one acre of it beyond the State. It is redistributed in the State which made the history.

Mr. HAGEN of California. Distributed, but under administrative discretion; is that not correct?

Mr. ABERNETHY. Of course, it is.

Mr. HAGEN of California. And this permits the opportunity for collusion and fraud.

Mr. ABERNETHY. No. It has to go back from the State committee down to the county committees and the county committees distribute it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. In the absence of this amendment will there be any way by which a county can save an allotment of land that is flooded by a new reservoir or by a new watershed lake or taken out of cultivation by reason of some large highway development?

Mr. ABERNETHY. I do not think this amendment has a thing in the world to do with the acquisition of land for highway purposes, or acreage that has been flooded out due to flood disaster. There is no relationship.

Mr. EDMONDSON. What would be the situation then under which the land could not be planted and under which it became necessary to surrender the allotment that the gentleman is talking about?

Mr. ABERNETHY. It is purely an optional matter with the man who has earned the history on the farm. It is purely optional.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. If land is taken for public purposes under the right of eminent domain, the farmer can take the acreage to another farm. And that is exactly the case with the Billie Sol Estes incident, which is not involved here.

Mr. ABERNETHY. Certainly.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Ohio.

Mr. VANIK. If the land is taken under the right of eminent domain, or is flooded by a reservoir or for some reason like that, the owner of the land is properly paid for his land; why should he be paid something extra by way of an acreage allotment?

Mr. ABERNETHY. Because he is not paid for the value of the acreage allotment.

Mr. VANIK. It seems to me that he is compensated under the right of eminent domain and that compensation should cover the reasonable value of the land, which includes its productive value and his value as it is used for agricultural production.

Mr. ABERNETHY. Let us assume the gentleman's assumption to be correct. The fact remains that the amendment now before the House has no relationship to that situation whatsoever. In order to reach the problem which the gentleman suggests we would have to have an entirely new proposal on this floor.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I rise merely to make a suggestion to the chairman of the committee in an effort to restore harmony on his side of the aisle. Would it not be much simpler just to accept an amendment striking out this whole feed grain section? Then he would not need to concern himself over these amendments to that section.

Mr. COOLEY. I appreciate the suggestion of the gentleman.

Mr. AVERY. I am sure the gentleman from Louisiana [Mr. MCSWEEN] would be happy with an arrangement like that, and I can assure him there would be a lot of support for that type of amendment on our side of the aisle. Do not say any more that Republicans do not want to be helpful, because we do. Let us strike the entire section, then the gentleman will not have to take issue with his Democratic colleagues.

I want to express my appreciation to the chairman for placing in the RECORD last night these various and sundry amendments that would be offered to the bill today. I think they might be paraphrased as the script. On page 10420 you will find the script for today, because these are the amendments that are to be offered and to be accepted by the chairman.

My question is this, and I should like to direct this to the chairman of the full committee: Why and when did these amendments become necessary? I recall very vividly the chairman of the committee and the chairman of the subcommittee, Mr. POAGE, appearing before the Committee on Rules and supporting this bill and telling us it was a very fine bill, it was in the best interests of agriculture, and it had been developed by the committee, and that the committee would stand behind it. Why did these amendments become necessary? Can the gentleman respond to that? Why did these amendments become necessary when just 2 weeks ago before the Committee on Rules the chairman told us that this bill had been carefully developed, it was a good bill, and should be passed? Now you are retreating from every principal provision in the bill.

Mr. COOLEY. No. I said this was a good bill. I said we had received no help from the minority. I am frank to say we are trying to improve the bill. We think these amendments that will be offered, from pages 25 to 47, all of them, would improve the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Chairman, will the gentleman yield for a quick observation?

Mr. QUIE. I yield to the gentleman from Ohio.

Mr. BROWN. I would just like to have the House remember that when I spoke on the rule on this bill I warned at that time that amendments would be offered from the committee, or with the support of the committee, in order to get this bill passed, that the bill would then go to conference, following which would be reinserted in the bill all of the dangerous provisions, the objectionable provisions, of the original bill as it came out of the Agriculture Committee. That is exactly what is going to happen, you can be sure.

Mr. QUIE. Mr. Chairman, the issue here really boils down to this, that if a farmer has a feed grain allotment and does not wish to plant it, should that acreage be idled in that year, or should it be transferred over to someone else? You know we have a terrific surplus on hand that we would like to draw down. The Secretary of Agriculture will make an estimate of how much should be produced during the year. Should this full production be continued no matter what, or should a person who voluntarily does not produce all that his farm would be allotted that year just idle his acreage, so that we would draw down that much more on the surplus?

This is really what it boils down to. Do we want to draw down more of the surplus within a year than the Secretary has estimated as a national allotment? If we want to do that, we know it will mean a great savings to the taxpayers by reducing the cost of storage in this country. Anything we can possibly do to cut down on the amount of surpluses will save the taxpayers money on storage costs. This is the choice we have before us and that is why I am going to vote against the committee amendment, because I feel if we continually give loopholes and loopholes and loopholes in a bill, it will be just like a tax law, the more loopholes there are the more has to be added to the burden of those who do not get that loophole.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROOSEVELT. May I ask the gentleman this question, Is the allotment or the amount set by the Secretary of Agriculture the necessary national amount of production; and if it is not used would it not endanger the amount that we ought to produce as a nation.

Mr. QUIE. No, at this time in view of the amount of surplus we have on hand of feed grains, there will be no danger to the amount that might be cut off our own producers.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, I would like to direct a question to some of the gentlemen who are knowledgeable on the subject of cotton allotments. A short time ago, I was in a Mexican border town. I noticed a number of very expensive new homes, homes that we would place in the very expensive category. So I talked to one of these individuals who had built such a home. I said, "How did you build this?" He said, "This is through the generosity of you Americans. You have limited your cotton production and we have taken your production and planted it in Mexico. We now are producing so much cotton here that this port has become the largest cotton exporting port in the world."

Under this program, I ask the chairman of the committee, have we, in effect, gone beyond the business of transferring cotton allotments between one county and another in a certain State or between one State and another? Have we in reality transferred our cotton quotas to foreign countries?

Mr. COOLEY. That argument has been made for more than a quarter of a century on the floor of the House.

Mr. KYL. I am not arguing the point. I am asking the question.

Mr. COOLEY. When we reduce our production here of some commodity, they increase production of the same commodity abroad. We have no control over that. But we do protect our own domestic growers and just last week we passed a bill protecting the people of this country along the line the gentleman is referring to.

Mr. KYL. Are your cotton farmers satisfied and prosperous with the present cotton situation?

Mr. COOLEY. They are satisfied with the program and at the moment they enjoy a stability in prices that they would not enjoy if we did not have the program.

Mr. KYL. Why have we had this rapid decline in the number of cotton gins and the resulting unemployment in such areas?

Mr. COOLEY. Because we have been reducing the acreage.

Mr. KYL. And while you reduce the acreage in North Carolina, I notice the Department of Agriculture figures also incraesed your surplus production—not production—but surplus production of feed grains last year by 682,000 tons; is that correct?

Mr. COOLEY. You mean, increased that much?

Mr. KYL. That is what the Department of Agriculture statistics show.

Mr. COOLEY. That is increased, last year?

Mr. KYL. Between 1959 and 1960 crop year and the 1960 and 1961 crop year.

Mr. COOLEY. I do not know about that, but last year we were actually declared a deficit area. We did not have enough there to feed our own livestock.

Mr. KYL. According to the statistics now, you are producing 208,000 tons of feed grain in surplus beyond your consumption needs in the State.

Mr. COOLEY. I do not know where the gentleman got those figures from.

Mr. KYL. These figures are from the Department of Agriculture.

Mr. COOLEY. And they are related to what year?

Mr. KYL. The date is from the farm economics division, March 14, 1962, sir.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I do not desire to argue the question further than to ask that the House sustain the committee and adopt the amendment which has been presented.

The CHAIRMAN. The question is on the commitee amendment.

The question was taken, and on a division (demanded by Mr. COOLEY) there were—ayes 114, noes 96.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HOEVEN and Mr. GATHINGS.

The Committee again divided, and the tellers reported that there were—ayes 147, noes 125.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 27, line 10, before the language insert "SEC. 360e."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 39, line 29, strike "treatment." " and insert "treatment."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 39, line 22, insert:

"SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this

Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop."

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in opposition to the committee amendment. This is the so-called deficit areas amendment. The map that the gentleman from Iowa [Mr. HOEVEN], showed you the other day will give you an idea of the States that are deficit. What this means is that the total amount of reduction in production will be put on the 13 Midwest States of the Union. You can look at the map and see how this applies.

On the first day of debate, the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], inserted a table showing the effect of the 25-acre exemption, and then the gentleman from Iowa [Mr. HOEVEN], pointed to the map here illustrating his point of view on the deficit area amendment.

Now, what this means is that of the 25 million acres that the department has indicated to you it is estimated that we must idle to reduce production of feed grains, it will be limited to those States which are in black and red. The rest, because of the likelihood that they will not be producing any surplus in that area, as the indication was in the previous years, would be exempted. That means that the Midwest will take the complete reducion in acres.

Under the estimate of the Department under the original bill, each farmer was supposed to take a reduction of between 20 and 25 percent of his acres. That means that those remaining farmers after the deficit areas amendment is adopted will have to take a reduction of something like, I imagine, 35 percent of their acres. And, those of us in Iowa, Minnesota, Illinois, Indiana, and the other States that are so-called surplus States can imagine what that will do to our farmers to have to take something like a 35-percent reduction in feed grain acres. Mind you, if you were a farmer who was feeding all of his feed grains to his livestock, supposing you were feeding about 60 acres of feed grains to your livestock in one of the surplus States like Minnesota, you would be cut back 35 percent of the amount of acres you produce and have to go out and buy a like amount of feed grain for the balance. But, take a deficit State like Tennessee. The farmer who also had 60 acres of feed grains, feeding it to his livestock, he would not have to reduce one acre.

Well, some may say, "That is good. My farmers are exempted." I say to you it really is not an exemption. Your farmers will be limited to the average production in 1959 and 1960. Let me cite an example, if a boy was in the service and the father kept more of his land in grass production during those 2 years and when the boy came out of the service wanting to go into feed grain production for their hog and cattle operation, they would be prevented from doing it. They would be limited to the 1959 to 1960 average. If they produced over that, they would be subject to a penalty, as is pointed out in the bill, and they would not have the right to vote in a referendum. So, can you imagine anything so unfair? It is unfair to the people of the Midwest who have the complete draw on surpluses taken from their acres and it would be unfair to the people in the deficit aras because they would be limited to the production they had in 1959 to 1960 and still get the marketing penalties and denied the right to vote.

Mr. Chairman, whatever side one is on, one cannot come out on this one which, again, provides another loophole being put into a law, which under mandatory controls one is trying to make a program work where the Government tells each farmer how to run his farm.

Mr. Chairman, these are the things that hurt any feed program. It is going to damage this one and make it impossible for it to work.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Pennsylvania.

Mr. DENT. I think there would be a misunderstanding if we let that one statement of the gentleman from Minnesota [Mr. QUIE] stand. The gentleman says that in a deficit State the farmers would not be cut in acreage under this bill, and a farmer in a surplus State would be cut. Is it not true that through using the 1959 to 1960 base year that in the State of Pennsylvania where we had 1,877,000 tons of deficit in 1959 to 1960 reduced to 469,000 tons in 1960 to 1961, that the difference between those two figures is approximately 1,412,000 tons, which would be reduced to the farmers because it goes back to the previous year base?

Mr. QUIE. There would be an automatic cut in some individual's base. If they did not produce as much is 1959 to 1960 as they produced in 1961 to 1962, the cut would be automatic and they would have a penalty placed against them if they produced more than that. Further, they would not have the right to vote in the referendum.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am certain that the gentleman from Minnesota [Mr. QUIE], does not want to leave the wrong impression with the Members of the House when the gentleman says that these States indicated on this map are all feed deficit areas within the contemplation of this proposed amendment. That is not accurate at all, because there is no such thing as a feed deficit area having already been established by the Secretary or by any other agency of the Government.

Mr. Chairman, I want to read this amendment. I think it is self-explanatory:

SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

Mr. Chairman, what is wrong with it? I do not see to save my life how anyone could oppose this, because it fixes a formula to guide the Secretary in making his determination. It takes into consideration the hardship of the producer. It does not provide that he has any vote, that he has any price support, or gets any payment for diverted acres. Certainly, this map does not reflect the true situation, because this amendment contemplates situations which may hereafter arise or exist. Nothing that happened in 1959 or 1960 or 1961 or 1962 has anything at all to do with the application of this amendment.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SISK. Mr. Chairman, I would like to say to the chairman of the committee that I commend the committee for offering this amendment. I think it is an excellent amendment; I think it is a fair amendment and I am in vigorous support of it. I appreciate the defense of the amendment by the chairman of the committee.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. QUIE. I agree that the map is not completely accurate. You take the Upper Peninsula of Michigan, that is deficit also, but does not show on the map. The northeastern part of Minnesota would be in white since it is a deficit also. There would be many more areas that would be in white on that map, if

you look at it in areas. If you looked at it in States, you can see how it would affect States by the map. Can the gentleman deny that these were the deficit areas in those years 1959 and 1960?

Mr. COOLEY. I do not deny that at all, because I do not know, actually.

Mr. QUIE. Is there any concrete determination other than the wide-open formula that we have received as to how the Secretary would determine what is a deficit area?

Mr. COOLEY. We just provide the guideposts to direct him in making his determination.

Mr. QUIE. And would not the Secretary then be subject to influence by any Member of Congress, for instance?

Mr. COOLEY. Oh, I wish we could debate something on the floor here without impugning somebody's motives or somebody's integrity. Certainly he is not going to be liable to any pressure. He will have statistics, he will have the advice of all the people in the area and the professional employees of the Department and then he can declare it a deficit area. The purpose here is to relieve hardships on producers.

Mr. Chairman, I urge the Committee to vote for the amendment.

Mr. LATTA. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA to the committee amendment: Page 40, line 17, after the word "farm" strike out "shall not be eligible to vote" and insert "shall be eligible to vote".

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, we heard a lot yesterday and the day before about voting rights and giving everybody the opportunity to vote; that two-thirds of the people voting were going to decide these various issues and as a consequence, we should support the bill. I am for permitting all farmers to vote in referendums. But I am not, as I stated yesterday, for restricting the right to vote. This amendment which I offer to the committee amendment would merely give the farmers in these 37 deficit States an opportunity to vote on a proposed program which would directly affect them.

I was amazed to hear the gentleman from California [Mr. SISK] say that he is in support of the amendment. I distinctly remember, when I was before the Committee on Rules and pointed out that these deficit-area farmers would not be permitted to vote, that he was in agreement with my position to permit these farmers to vote. If he has changed his position since then, I am surprised.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. SISK. I appreciate the gentleman's yielding. Of course, I am very strongly in support of the entire amendment. I will say this, that the main part of my support of the amendment has nothing particularly to do with whether they shall vote or shall not vote, but is to take care of a situation in a State like California where we are a very substantial deficit area. With reference to the eligibility of those people who will be affected by the vote, I am inclined to say that I think probably they should be entitled to vote. To that extent I do agree with the gentleman in what he says as to my original statement. But I am still very much in favor of the basic amendment. I do not think the matter of voting or not voting is the heart of this amendment.

Mr. LATTA. Mr. Chairman, I thank the gentleman for his contribution and for clarifying his position. I would like to say that my amendment would give these farmers in 37 States the right to vote on these programs.

I do not think it is a good idea as a matter of law for them to be made ineligible to vote.

Mr. COOLEY. Would the gentleman permit the farmers who will not be affected by the program to control those who will be affected by the program?

Mr. LATTA. I should like to ask the gentleman if he would change the word "affected" to say "be a part of the program" or "come into the program," because I disagree completely with him when he says these farmers will not be affected. Is that what the gentleman means?

Mr. COOLEY. No. I mean by that you could have the program so that certain farmers would be under control and certain farmers would be out from under it.

Mr. LATTA. Is the chairman trying to say that in these deficit areas, yet to be determined, some of the farmers will be permitted to vote? He is not telling the House that, is he?

Mr. COOLEY. No.

Mr. LATTA. Certainly not.

Mr. COOLEY. Only those who will be affected will have the right to vote.

Mr. LATTA. Will the gentleman agree with me that if these States, regardless of whether they be 36, 37, 38, or 40, are designated by the Secretary as deficit areas they will not be eligible to vote?

Mr. COOLEY. They should not vote. Those not under the program should not have the right to vote.

Mr. LATTA. I thank the gentleman for his contribution.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Kansas.

Mr. DOLE. If one farmer had quite an area and did not have quite enough feed grain, would that be called a deficit area?

Mr. LATTA. Not unless he is so designated by the Secretary of Agriculture.

Mr. DOLE. There is nothing in the bill to prevent this, is there?

Mr. LATTA. That is correct.

I hope that the House will concur in my amendment and give these farmers in deficit areas who will be affected by the program an opportunity to vote.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Minnesota.

Mr. NELSEN. Do I understand correctly that the further provision in the bill that if you have less than 40 acres and choose not to be in the program, you can vote only if you elect to become a part of the program?

Mr. LATTA. That is true.

Mr. NELSEN. Would it not be pretty much the same as saying to the people in my district, "You can vote, providing you vote for me?"

Mr. LATTA. It can be put that way.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, on yesterday I used this map and pointed out, or at least tried to advise the Committee, that this entire exemption was a complete phony, and it is. It is only in the bill to get votes for a bad bill. Thousands of small feed grain producers, all of whom feed every bushel they produce on the farm, will be limited, and strictly limited, under this bill in their production of corn, even corn for silage as well as corn for storage. No feed grain farmers will be exempt. It is true under the so-called small farm exemption that those who produce less than 25 acres of feed grain may elect not to vote in the referendum, in which case they will be excluded from any cutback, but they will still be limited to their 1959–60 base in what they produce, no matter how small they are. Therefore, do not think you actually are getting an exemption. You are stuck with the base. How in the world can this be construed as an exemption? More than a million small farmers will not be exempt, they will be strictly limited.

Another thing, when you get the feed deficit exemption, the Secretary has to make four findings. The legislation is not clear as to what they have in mind. The Secretary will have to make four findings before he can exclude the so-called deficit areas. So do not think they are automatically going to get this exemption. The Secretary first must find a hardship. No, what is a hardship? Does it apply to a State, does it apply to a county, does it apply to an individual farm? Is it hardship on one farm? Is there hardship on the adjoining farm? How can you possibly administer this kind of law?

Secondly, the Secretary must find an undue increase in prices. What is the criterion? What is he going to base his finding on?

Then he must find a disruption of normal farming. Now what in the world is that? And finally he must find his action will not impair the objective of the act. What a nebulous statement. What does this mean? Nothing is spelled out. So do not get the idea that you are going to get an exemption. First of all, you are stuck with the base. Do not forget that. Secondly, the Secretary has to make four findings of a very positive nature without any criterion how he is going to arrive at his conclusions before you even get the exemption.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Iowa.

Mr. KYL. In the case of North Carolina, in the year 1959–60, they pro-

duced a deficit of 470,000 tons of feed grains. Last year, they increased production enough to create a surplus of 208,000 tons. Would this mean under the provisions of this amendment or this section that the farmers of North Carolina would have to cut their production back 682,000 tons?

Mr. HOEVEN. At best they could not go over and above their base.

Mr. KYL. Which at that time would probably be illustrated by the 470,000-ton deficit.

Mr. HOEVEN. That is correct.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, referring to the statement made by the gentleman about North Carolina, I just want to point out you have used a figure of 280,000 tons for last year. That is not a correct figure. That is for 1960 and 1961—not 1962.

Mr. KYL. The gentleman did not hear the question I asked. Would your farmers in North Carolina have to cut back their production which was increased from this base year 1959–60 by 682,000 tons?

Mr. COOLEY. No. In North Carolina last year we had a deficit in feed grains so evidently this figure is related to a different year.

Mr. KYL. Is not the base period the 1959–60 crop year?

Mr. COOLEY. It is the crop years 1959 and 1960.

Mr. KYL. If that is the case, then your production would have to be cut back to that figure.

Mr. COOLEY. Your figures relate to production and not acreage. Allotments under this bill are made on the basis of acreage.

Mr. KYL. But did it change the picture entirely?

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word. I shall only consume a minute or two.

It seems to me unreasonable to permit farmers throughout the whole Nation who happen to have a small base in feed grains to vote controls on the commercial grain producing areas and that is what this amendment will do. It would be no more absurd, it seems to me, to permit all the people in a particular State or all the people within the United States to vote controls on these farmers.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ANDERSEN of Minnesota. I think the chairman of the committee is very correct in what he says. I think it would be very unfair for the farmers in other States who are not faced with the problems that we are faced with to have the right to vote controls on other farmers. They really should not have a vote on this because it does not concern their farm operations.

Mr. COOLEY. That is the way I feel about it.

Mr. KORNEGAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I am glad to yield to the gentleman.

Mr. KORNEGAY. Mr. Chairman, I would like to ask the chairman of the committee if this amendment would permit a farmer who raised feed grains during the base period the right to vote in a referendum.

Mr. COOLEY. That is right.

Mr. KORNEGAY. Regardless of his acreage?

Mr. COOLEY. That is right, just so he had a base crop of any sort.

Mr. KORNEGAY. I am for the right to vote.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I would be very much concerned if the mere fact that a State was a feed deficit area would entitle it to this special treatment because many of our normal farm economic practices have grown up in these relationships between feed surplus and feed deficit areas. I would like the chairman to assure me that the Secretary would have to find these conditions were present before he could apply this to a feed deficit State; that is, the exceptional hardship, the undue price increase in feed grains and the other conditions set forth.

Mr. COOLEY. The Secretary must make these findings before he can determine any particular area to be a feed deficit area.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment.

The question was taken, and on a division (demanded by Mr. HOEVEN) there were—ayes 92, noes 62.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 60, line 2, beginning with the word "multiplied" strike out the remainder of the sentence through the period in line 7, and insert in lieu thereof: "multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support".

Mr. DOLE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE to the committee amendment: On page 60, line 2, strike everything after the comma through the word "crop" in line 7 and amend the committee amendment by striking the balance of line 7 and everything through the word "rates" on line 13 and insert the following: "multiplied, in the case of the 1963, 1964, and 1965 crops by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat."

The CHAIRMAN. Does the gentleman propose his amendment as a substitute for the committee amendment?

Mr. DOLE. Yes.

The CHAIRMAN. The gentleman from Kansas is recognized in support of his amendment.

Mr. DOLE. Mr. Chairman, I will state very briefly that this does incorporate the Harding amendment.

We have had a lot of talk about how this bill will maintain the farmers' income, but we can find very few figures that bear this out. What this substitute will do will be to eliminate the declining scale diversion payments as provided in the bill at this time. Under the bill the first year payment is 50 percent, then 40 percent, then 30 percent, then zero. My amendment makes it 50 percent of the higher of the basic county support rate for wheat or national average support rate for wheat which incorporates the language of the Harding amendment.

As I mentioned yesterday, I asked Mr. Freeman on three different occasions how the farmers' income would be affected under this bill. He said at one time that he was not certain. Another time he said that the farmers would receive more than $300 million in income, and a third time he stated that they were refining these figures.

They have been refined to the point where the farmer is not certain whether he will have any increased income or not. This amendment will maintain the farmer's income. He should not be diverting acres under a compulsory bill and without receiving satisfactory payments for them.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. QUIE. As I understand the gentleman's amendment, the farmer would receive 50-percent payments for each year rather than the process under the committee amendment?

Mr. DOLE. Yes. Under the committee amendment it is a declining scale, 50, 40, 30, and zero. This makes it 50 percent for these 3 years.

Mr. QUIE. I will support the gentleman's amendment because it has been pointed out that this legislation is supposed to increase the farmer's income, or at least hold it up. It has been stated that it will help bring the wheat farmers income under the law up to at least the present income we are operating under this year. He gets $2 a bushel for all he raises now. This wheat bill proposes paying him $2 on 85 percent of his production and $1.40 on the remainder. Then he would get paid 50 percent for his diversion of acreage the first year, 40 percent for the second year, and 30 percent the third year. It would completely wean him from any diversion payments after that. There is no way you can read in this bill anything but lower incomes to the wheat farmer and lower incomes for the feed grain farmer. This will be partially corrected by the amendment of the gentleman from Kansas.

Mr. DOLE. It may also wean him from operating a farm.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Does the gentleman's amendment meet with the approval of the Kansas wheat growers?

Mr. DOLE. Yes.

Mr. BREEDING of Kansas. I want to join with the gentleman and support his amendment. I planned to offer the same amendment myself. I hope the Committee will accept. The Kansas Wheatgrowers Association is in favor of the amendment.

Mr. CLEM MILLER. Mr. Chairman, I rise in opposition to the substitute to the committee amendment.

(Mr. CLEM MILLER asked and was given permission to revise and extend his remarks.)

Mr. CLEM MILLER. Mr. Chairman, we are now witnessing our periodic slump in the poultry industry. I had planned to introduce an amendment to the bill, but the chairman of the Committee on Agriculture has stated that it would be inappropriate at this time because there have been no hearings of the committee on the subject and it has not been under discussion on it this year. I hope a bill which I introduced yesterday will receive the attention of the committee and hearings be held in the near future. Is that correct?

Mr. COOLEY. Just as soon as circumstances will permit, we will arrange to have hearings on the gentleman's bill.

Mr. CLEM MILLER. I thank the gentleman.

Mr. Chairman, I have offered a bill, H.R. 12224 which would provide authority under which a program to stabilize the price of table eggs might be developed. It provides for adding table eggs and laying chickens to the commodities for which marketing orders are authorized and further provides for additional authority under the Agricultural Marketing Agreement Act as would be necessary to develop an effective price stabilization program for eggs. This was developed by a representative group of egg producers serving on the National Advisory Committee on Egg Marketing appointed by the Department of Agriculture. This committee has made a recommendation to the Secretary of Agriculture for such legislation.

The need for legislation of this type stems from the gradually deteriorating egg price situation of recent years. Egg prices in the past few weeks have fallen to disastrously low levels, and these periods of egg price depression seem to be reoccurring with increasing frequency.

Some significant changes are occurring in egg production. The small family farm flock that used to provide the bulk of our egg supply is going out of the picture. Where 10 years ago small flocks provided over 60 percent of our total egg production, they now provide less than 40 percent. As these small flocks with 300 or 400 laying hens go out of production, they are being replaced by specialized egg factories with 100,000 or more hens in one operation. As egg production becomes more specialized in large units the supply of eggs is becoming less and less responsive to what is taking place in the market. The small flock which operated in conjunction with diversified farming operations could easily adjust to low egg prices. These farmers could reduce their egg output and switch to some other crop with little problem. But the specialized egg farm does not have this flexibility. It tends to respond to low egg prices by producing more instead of less in an effort to reduce costs and maintain income. Unless a program is developed under which egg supply may be geared to demand, the small producer, no matter how efficient, may be forced out of egg production.

Egg producers have indicated to me they favor the particular approach which this bill would provide in developing a price stabilization program for eggs. The production and marketing of eggs is a large and extremely diversified operation. It is very important that the provisions of any stabilization program developed deal equitably with each of the diverse interests involved. For this reason the marketing order approach, which has been used with such great success in California, has particular merit. It provides an opportunity for each and every interest involved to propose means of handling its particular problems and to testify at public hearings as to how any part or the whole of any proposed program might affect the varied segments of the commodity group. Last, but not least, when a program is developed it provides opportunity for all producers to vote in a referendum to decide whether a program should be put into effect or not.

Finally, I want to emphasize that this bill would not put a price stabilization program for eggs into effect. It would simply provide the authority for producers to develop such a program and to submit it to referendum. The particular authority contained in this bill would permit restrictions on the number of replacement chickens going into laying flocks and the operation of a stabilization fund to remove surplus eggs from the market or divert laying hens from production. These particular devices were recommended as the most feasible types of stabilization activity by the Department of Agriculture's advisory committee. I hope this bill will be given serious consideration and that egg producers will be enabled to avoid the types of problems which have occurred in other segments of the poultry industry in recent years.

I would like to say, as one vitally concerned with the continued health of the poultry industry that it is time that it gave continuing attention to its problems in relation to Congress. The present system of coming to Congress when a state of crisis exists, then disappearing as soon as the market goes up a few cents, is not satisfactory. Congress cannot work with the speed expected of it. Hearings, committee action, floor action, all take time. Effort and interest should be continued—fair weather as well as foul. After all, there is only permissive legislation, and need not be put into practice at once in any case.

Of course, there is a substantial part of the industry which wants no legislation, not even marketing order legislation. Why they do not, may be explainable, but it does little credit to them it seems to me. It appears that they are unwilling to put the matter to the vote of the farmers. It means to me that they are afraid their views do not truly reflect the views of practicing farmers. We hear continually about democracy, the right to be heard, about self-determination and so on. It is difficult to accept the hostility of so-called farm representatives who are unwilling to put their views to the test of a farmer vote. As I say, this is permissive legislation. Poultrymen do not have to avail themselves of it at all if they do not wish to, and even if it is resorted to, they can reject it if they do not like the terms.

The argument is advanced that poultrymen should be left alone. I might say, that is just what we propose—to permit them to proceed as they wish.

But there is another facet to this argument. Opponents of this type of legislation tell us that the crisis will pass, that the inefficient will be eliminated and the efficient will remain.

Whatever validity this may have had, there is a poultry crisis when it is no longer true and when the industry no longer exists as we know it.

Each crisis is going to eliminate the inefficient. These inefficient have been eliminated long ago. Each turn of the screw means a narrowing of the competition into larger and larger units with more and more irrelevancy to farmer efficiency and more irrelevancy to all agriculture.

This means that conditions of control and monopoly will most certainly prevail. I know that this observation causes an amused and tolerant denial, that everyone who is watching developments in the industry can see it happening. Other spokesmen merely shrug their shoulders and say that this is in the nature of things—that it is the wave of the future.

Since we are continually being told of dictatorial governmental practices in agriculture it escapes me why such dictation is any more superior when it is done by a few private parties. I think a good case can be made that it would be worse, because such dictational monopoly practices are more difficult to reach with corrective action.

In any case, this need not be the case. The farmers by their willingness and consent and a degree of constancy can assist Congress in granting the legislation that they need. I hope that they will do so on their own behalf. I would hope that even those who are skeptical of the effectiveness of marketing order would support such permissive legislation in the order that farmers may register their will in a vote.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the substitute for the committee amendment.

Mr. Chairman, it seems to me this amendment is rather inappropriate because it will add greatly to the cost of the program. I can easily understand how the author of the amendment is supporting the amendment and why our good friend from Kansas [Mr. BREEDING], is

supporting the amendment. But to change these figures to straight across the board for the 3 years would result in a substantial increase in the cost.

I hope that the committee here will stand by the Committee on Agriculture and reject the substitute now pending for the committee amendment, and adopt the committee amendment.

The CHAIRMAN. The question is on the substitute for the committee amendment.

The question was taken; and on a division (demanded by Mr. DOLE) there were—ayes 40, noes 81.

So the substitute was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman,, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 47, line 6, after the period insert the following new sentence:

"Whoever, being a warehouseman or other person, pays or receives any fee, commission, rebate, compensation, gift, or gratuity, or grants or receives any discount in connection with any sale, as an inducement for or acknowledgment of the storage of any agricultural product or commodity in any warehouse, shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

(Mr. BASS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. BASS of Tennessee. Mr. Chairman, several amendments that have been discussed in the past 2 days have been referred to as the Estes amendments by various Members. Now, if you want to, you can literally refer to this one as the Billie Sol Estes amendment, because this amendment was inspired by information that was gathered by the subcommittee investigating the scandal in the grain storage operations of Billie Sol Estes. I am a member of that subcommittee.

Mr. Chairman, during the hearings on the Estes grain storage operations, it was pointed out by Mr. Mosely, who is director of the Dallas commodity office and has been for several years, that the people in the grain storage business operations in Texas would give the farmers the cost of storing the grain while it belonged to the farmers if they would put it in their warehouse so that it would become Government property and then they could collect from the Government.

Another scandalous and obnoxious operation was pointed out at the same time that will be stopped by this amendment. They not only gave kickbacks and other means of remuneration for putting the grain in storage, but they also did this: If, for example, grain was selling at $2.20 on the market but the support price was only $2.12, the grain elevator operator would pay the farmer the difference in the sale market price of the grain and the support price and maybe give him a premium of 2 or 3 cents a bushel in order for him to put in the warehouse instead of selling it on the market. In that way the warehouseman then would collect a storage fee from the Government. These operations are outright subterfuge. It is a practice that should be stopped. It is against the law in many States. But, it is not against Federal law and it is not against State law in many States. I think it is high time, if we are going to have to continue storing some surplus commodities, that we should invoke penalties against people that are in this illicit business.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Is the gentleman's amendment limited to the person who offers the bribe or does it cover the person who accepts it as well?

Mr. BASS of Tennessee. It includes anyone who gives, receives, or accepts.

Mr. EDMONDSON. I think the gentleman has a good amendment.

Mr. BASS of Tennessee. The farmer or the warehouseman; one is just as guilty as the other.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Kansas.

Mr. DOLE. Well, would this include Federal employees who receive gifts such as suits or shirts or alligator shoes?

Mr. BASS of Tennessee. I understand that there are laws already on the statute books that would include those. If you refer to gifts to Mr. McConnell, who was formerly connected with the Department, or Mr. Walter Burger, Assistant to Secretary of Agriculture Benson, and if they received any suits or any alligator shoes from Mr. Billie Sol Estes, they would be covered under the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The amendment was agreed to.

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: Page 15, line 16, strike out lines 16 through 23, all of page 17 through 87 and lines 1 through 3 on page 88 and insert in lieu thereof the following:

"SUBTITLE A—FEED GRAINS

"SEC. 401. Paragraphs (3) and (4) of section 105(c) of the Agricultural Act of 1949 are amended by inserting after the words '1962' wherever they appear the words 'or 1963'.

"SEC. 402. Section 105(c) of the Agricultural Act of 1949 as amended by adding new subsections (5)(a) and (5)(b) as follows:

"'(5)(a) The Secretary is authorized and directed to make payment-in-kind to producers eligible for price support on the 1963 crop of corn, grain sorghums, and barley who elect to take such payments in lieu of price support. For each bushel of corn, grain sorghums, and barley that otherwise would be eligible for price support, payment-in-kind shall be the equivalent of the following:

	Cents per bushel
For corn	15
For grain sorghums	15
For barley	13'

"SEC. 403. Section 16(d) of the Soil Conservation and Domestic Allotment Act, as amended, is amended as follows:

"'(a) In paragraph 1, insert after the words "1961" wherever they appear, "or 1962 in the case of the 1963 program", and insert after the words "1962" wherever they appear the words "or 1963".

"'(b) In paragraph 2, after the words 'June 30, 1962' insert the words "or June 30, 1963".'

"SEC. 404. Section 133 of the Agricultural Act of 1961 is amended as follows:

"'(a) Insert after the words "1962" the words "or 1963".

"'(b) Effective with the 1963 program in the first sentence immediately preceding the words "at such time" insert the words "at face value".

"'(c) Insert a new sentence at the end thereof which reads as follows:

"'"The Commodity Credit Corporation in assisting the producers in the marketing of such certificates shall not dispose of feed grain at a price which is less than, or under terms and conditions other than, provided and required under section 407 of the Agricultural Act of 1949, as amended'."

"SEC. 405. Section 134 of the Agricultural Act of 1961 is amended by inserting after the words '1962' the words 'or 1963'.

"SUBTITLE B—WHEAT

"SEC. 411. Section 102 of the Agricultural Act of 1961, as amended, is amended by adding at the end thereof the following new subsection (d):

"'(d) In accordance with the provisions of this section, the Secretary of Agriculture shall appoint a Wheat Study Commission which shall, prior to January 1, 1963, study and make its recommendations to the Secretary and to Congress on the feasibility, the advantages and disadvantages of a permanent wheat program which treats the various classes of wheat (hard red winter, hard red spring, soft red winter, white and durum) under separate legislative and administrative provisions of law. The Wheat Study Commission membership shall include wheat producers, processors, and consumers, along with representatives of the major farm organizations and land grant colleges.'

"SEC. 412. The Agricultural Act of 1961, as amended, is further amended by adding at the end of Subtitle B of Title I of such Act the following new section 126:

"'SEC. 126. Each and every provision of law applicable to the 1962 crop of wheat as set forth by Sections 121 through 125 of this Subtitle shall also be applicable to the 1963 crop of wheat.'

"SUBTITLE C—WHEAT AND FEED GRAIN DISPOSAL PROGRAM

"SEC. 421. This subtitle may be cited as the 'Wheat and Feed Grain Disposal Act of 1962.'

"SEC. 422. Notwithstanding any other provision of law, the Secretary shall formulate and carry out a surplus wheat and feed grain disposal program for each crop year beginning with the 1963 crop year for each of the following commodities: Wheat, corn, rye, barley, oats, and grain sorghums. Each such program shall afford producers, who agree not to plant that particular commodity, an opportunity to purchase from the Commodity Credit Corporation, at an attractive price, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, as amended, the quantity of such commodity determined under section 404.

"*Contracts for purchase of commodity surpluses*

"SEC. 423. (a) Each contract entered into under this Act shall require the producer, as a condition for the opportunity to purchase the commodity to which it applies, to—

"(1) refrain from seeding any acreage on his farm to the production of the commodity to which the contract applies;

"(2) withdraw from all agricultural production (including grazing) a specifically designated portion of the tillable acreage on his farm equal to the average acreage on his farm seeded to the production of the com-

modity to which the contract applies during the three crop years preceding the 1963 crop year: *Provided*, That in the case of what (other than for farms on which wheat was produced under the farm marketing quota exemption established pursuant to item (7) of Public Law 74, 77th Congress, as amended) (or the wheat for feed exemption established pursuant to section 335(f) of the Agricultural Adjustment Act of 1938, as amended) such average acreage shall not exceed the farm acreage allotment established pursuant to the Agricultural Adjustment Act of 1938, as amended;

"(3) devote to conserving crops, or allow to remain idle, an acreage of land on his farm which, after substracting therefrom the acreage designated under paragraph (2) under all contracts entered into under this title, is not less than the acreage which he normally devoted only to conserving uses or allowed to remain idle;

"(4) comply with such terms and conditions as the Secretary determines are necessary to effectuate the purposes of this title and to facilitate the practical administration of the wheat and feed grain disposal program;

"(5) comply with such terms and conditions as the Secretary determines are necessary to control rodents, insects, and weeds on the acreage diverted from wheat and feed grains;

"(6) forfeit all rights to benefits under the contract, and to refund to the United States all benefits (including sums derived from the sale of negotiable certificates) received under the contract if the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, except that section 107(d) of the Soil Bank Act, as amended, shall apply to the termination of any contract under this title; and

"(7) forfeit such benefits and make such refunds to the United States of such benefits (including sums derived from the sale of negotiable certificates) received by him under the contract, as the Secretary may deem appropriate.

"(b) In carrying out the wheat and feed grain disposal program with respect to a particular commodity, the Secretary shall not enter into contracts in any crop year which will require the Commodity Credit Corporation to sell a quantity of such commodity greater than 30 per centum, nor less than 20 per centum, of the average production of that commodity in the United States during the last three crop years: *Provided*, That the Secretary may place maximum limitations on the percentage of total cropland which may be retired under this program if he finds that such a program is having an unduly disruptive effect on the economies of counties and local communities.

"(c) A producer may enter into more than one contract in a crop year under this title. Each commodity shall be covered by a separate contract. All Commodity Credit Corporation stocks of the commodities referred to in section 422 shall be available for purchase under this title, except that the Commodity Credit Corporation shall reserve from such sales a quantity of each commodity equal to 10 per centum of the quantity thereof in stock at the beginning of the marketing year. In the event the stocks of a commodity are insufficient to permit all producers of such commodity who wish to do so to enter into a contract under this title with respect thereto, the Secretary shall provide by regulation for determining the producers to be given such contracts on a first come, first served basis.

"Commodity purchasers

"SEC. 424. (a) The Secretary shall afford each producer who has entered into a contract under this Act an opportunity to purchase, at a price sufficiently below the cost of production to obtain full participation, after consideration of grade, condition, and local marketing factors, a quantity of the commodity to which the contract applies equal to the quantity thereof the Secretary determines is the average annual production of such commodity on the producer's farm for the three crop years preceding the 1962 crop year.

"(b) Sales under this section shall be accomplished through the sale of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary in terms of the commodity to which the contract applies, upon presentation by the producer or by any assignee of the producer other than the Secretary, except that such certificates shall not be redeemed prior to the beginning of the normal harvesting season nor later than the end of the marketing year for the commodity. Agricultural commodities delivered in redemption of such certificates shall not be eligible for tender to the Commodity Credit Corporation under the price support program.

"Certificate of claimant

"SEC. 425. Sales shall be made to any producer for participating in the program established under this Act when the Secretary has ascertained that such producer has complied with the acreage reduction requirements of such program for such year. Sales authorized by this title may be made upon the certificate of the claimant, in such form, as the Secretary may prescribe, that he has complied with all requirements for such sale and that the statements and information contained in the application to purchase are correct and true, to the best of his knowledge and belief.

"Utilization of local and State committees

"SEC. 426. In administering this title in the continental United States and Hawaii, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

"Utilization of land-use capability data

"SEC. 427. In administering this title the Secretary shall utilize to the fullest practicable extent land-use capability data, including capability surveys as developed by the Soil Conservation Service.

"Financing

"SEC. 428. (a) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this title: *Provided*, That the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, including such amounts as may be required to pay expenses of administration and to pay the Corporation for its actual cost incurred or to be incurred under this section.

"Finality of determination

"SEC. 429. The facts constituting the basis for any sale authorized to be made under this title, when officially determined in conformity with applicable regulations prescribed by the Secretary, shall not be final and conclusive and shall be reviewable by other officers or agencies of the Government. In case any producer who is entitled to any such sale dies, becomes incompetent, or disappears or is succeeded by another who renders or completes the required performance, the conditions of the sale shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

"Protection of landlords, tenants, and sharecroppers

"SEC. 430. In the administration of this title, the Secretary shall provide adequate safeguards to protect the interests of landlords, tenants, and sharecroppers, including provision for sharing, on a fair and equitable basis, in sales under this title, and including such provision as may be necessary to prevent tenants or sharecroppers from being forced off the farm. Applications to participate in any such program shall specify the basis on which the landlord, tenants, and sharecroppers are to share in such sales, and no contract under any such program shall be entered into unless such basis is approved by the county committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

"SEC. 431. (a) The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.

"(b) The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practicable administration of the program.

"Regulations

"SEC. 432. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

"Definitions

"SEC. 433. For the purposes of this title—

"(1) The term 'producer' means a person who produces a commodty referred to in section 422 for sale, for feed, or for seed.

"(2) The term 'corn' means field corn.

"(3) The term 'feed grain' means corn, rye, barley, oats, and grain sorghum.

"(4) The term 'tillable acres' means the acreage on the farm which has been devoted to the production of agricultural commodities during at least two of the preceding five years, but does not include any acreage withdrawn from production under programs authorized by the Soil Bank Act, as amended, the Soil Conservation and Domestic Allotment Act, as amended, the Act of March 22, 1961, as amended, the Agricultural Act of 1961, as amended, or Subtitles A and B of Title IV of the Agricultural Act of 1962.

"(5) The term 'Secretary' means the Secretary of Agriculture.

"SUBTITLE D—EXTENSION OF EXPIRING CONSERVATION RESERVE CONTRACTS

"SEC. 441. The Soil Bank Act, as amended, is as follows:

"(1) By adding to the end of section 107(b)(2) the following: 'Before extending contracts with producers as provided in section 109(a) of this Act, the Secretary shall review the rate of annual payment provided by such contracts. The rate of payment to be offered under any extended contract shall be determined in accordance with the considerations established in this section.'

"(2) Subsection (a) of section 109 is amended by adding to the end thereof the following: 'The Secretary is authorized further during the five-year period 1962–66 to

extend contracts, other than contracts for the establishment of tree cover, entered into under the authority of this subsection for periods ending not less than three nor not more than ten years after the original termination dates of such contracts.'

"(3) Subsection (b) of section 109 is amended by inserting after the first comma the following: 'except as extended as provided in subsection (a) and'.

"(4) Paragraph (7) of subsection (a) of section 107 is amended by striking the last two words and inserting in lieu thereof: 'weeds, insects (including, but not limited to grasshoppers), and rodents'."

Mr. HOEVEN (interrupting reading of the amendment). Mr. Chairman, this is a rather lengthy and technical amendment. I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. POAGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POAGE. Mr. Chairman, this amendment, as I understand it, is in the nature of a substitute for the entire section. Is it not correct that since it is a substitute the amendment will go over until we have perfected the titles, and that the gentleman's proposed substitute will then be subject to perfection itself and be voted upon, after completing the work on the titles of the bill?

The CHAIRMAN. The Chair will state that the gentleman is correct. If there are any perfecting amendments to this section, they will be disposed of before the amendment in the nature of the substitute is disposed of.

Mr. HOEVEN. Mr. Chairman, I rise in support of the substitute amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, this substitute would strike title IV from the bill and substitute a voluntary feed grain program for 1 year, and the extension of the present wheat program for another year, with certain additions.

Here are the main provisions of the substitute: No. 1, it extends the present voluntary feed grain program for 1 more year, but makes these important changes: It prohibits the "dumping" of surplus feed grains back onto the domestic market, at less than 5 percent above the current support price, plus reasonable carrying charges.

We have heard a great deal of complaint about the operation of the present feed grain program with reference to the so-called dumping provision. The Secretary has been charged with indiscriminately dumping grain on the open market so as to depress prices. This substitute would tie the Secretary down and would prohibit CCC grain from being "dumped" at less than 5 percent above the current support price, plus reasonable carrying charges.

Another provision of the substitute would make payments-in-kind to participating feed grain farmers in lieu of price supports, thus preventing wholesale shuffling of the Commodity Credit Corporation inventory.

There is much sentiment for wider participation in a payment-in-kind program, but up to now it has not been used very much. It seems to me that it makes a lot of sense to get rid of some CCC grain through a payment-in-kind program rather than selling the same for cash. Furthermore, this extends the present wheat program for 1 more year. The substitute also provides for the appointment of a Wheat Study Commission to explore the feasibility, advantages and disadvantages of a new, permanent wheat program which would treat different classes of wheat under different legislative and administrative provisions.

Mr. Chairman, Members representing the wheat areas of the country have been in disagreement for a long time about a workable wheat program. A lot of this indecision has been due to the different varieties of wheat involved.

Under my substitute, the Secretary would make contracts with farmers on a voluntary, first-come, first-served basis for the retirement of all the annual production of wheat and feed grains on the farm in return for the opportunity to buy at attractive prices these surplus grains held by the Government.

Another important part of the substitute authorizes the Secretary to extend expiring conservation reserve contracts for periods of from 3 to 10 years beyond the scheduled termination dates, thus preventing millions of acres which are now retired from coming back into production.

I introduced a bill to extend these conservation reserve acres early in this session. If legislation of this kind is not enacted some 28.5 million acres will go back into production, further aggravating our surplus problem. The entire substitute, in the last analysis, will afford members of the committee an opportunity to vote for a voluntary program instead of the rigid control program provided for in title IV of H.R. 11222. I realize that many Members of the House who voted against the present feed grain program and the present wheat program, last year, may feel that it would appear inconsistent for them to now vote for this substitute. But may I point out to those who voted against the feed grain bill last year that at that time we were not confronted with the compulsory retirement of acres, the reimposition of marketing quotas, and the reimposition of acreage allotments.

In voting on my substitute you will have to determine whether you want to continue with the voluntary program, which has done some good in spite of its many shortcomings in preference to title IV of H.R. 11222, which will place the farmer under the strictest regimentation and control ever sought to be imposed on the feed grain farmers of this country. The determination is yours.

Mr. FINDLEY. Mr. Chairman, section C, if utilized constructively, would enable the Secretary of Agriculture to sell off our entire Government-owned grain stock in 2 years, except for a few varieties of wheat.

This would not only reduce the surplus stocks, and the cost of storage. It would also reduce the field operations for people like Billie Sol Estes, because it would reduce the power of Government officials and the amount of property and money they control.

Turning to another phase of the bill, this legislation will, among other things, eliminate the farm mess created by existing programs and prevent future scandals such as those which have been exposed in the Billie Sol Estes investigation.

In fact, the measure would have just the opposite effect. The two-price wheat program embodied in this bill would create a nightmare for the grain trade generally and for exporters, millers, and other wheat processors in particular. Its provisions are virtually impossible of enforcement and, because of this, the two-price plan constitutes an open invitation to fraud and doubledealing that would dwarf the Estes manipulations. The honest operator will find himself unable to compete with the unscruplous dealer who diverts the lower priced feed wheat into food channels. And the Government will find itself powerless, even with a vastly augmented Department of Agriculture police force, to detect and convict more than perhaps 1 violator in 10.

It is possible to obtain a preview of what is certain to happen under the two-price program by looking back at the events which followed the importation into the United States of some 40 million bushels of frost-damaged wheat from Canada in the late 1940's. This grain was brought in at a low price and under a low duty as "feed wheat." Some of it almost certainly moved undetected into domestic flour production. Most of it, however, was blended with domestically grown wheat and exported, under a heavy subsidy, as U.S. wheat. While it is true that some of the violators were subsequently caught, this incident emphasizes the temptation inherent in a plan which places wheat in circulation at two widely different prices and the difficulty of policing a program of this kind.

The shrunken, frost-damaged wheat which came into the United States as feed could easily be detected for what it was as it moved through the channels of trade. The wheat which would arbitrarily be classed as feed under the proposed legislation would have the same appearance and characteristics as the higher priced certificate wheat. In view of this, who can doubt that millions of bushels of feed wheat will wind up as food wheat? This program simply makes it too easy for the "fast buck" operators to cheat.

Moreover, the two-price plan is unfair in that it favors producers of some classes of wheat and discriminates against growers of other classes. Indiana and its neighboring States produce most of the Soft Red Winter wheat which is produced within the United States. This class of wheat is always in strong demand from domestic millers and importing countries. It is not in surplus. The annual carryover generally ranges from 10 to 30 million bushels. In fact, the Government itself

deems this class of wheat to be in such short supply that it is excluded from sale under Public Law 480. The Soft Red wheat which goes into export is sold for dollars.

Now it is proposed, under the pending bill, to subject Soft Red Winter wheat growers—who have not built the wheat surplus—to the same 20 percent acreage cut which would be applied to the producers who have dumped a 1.3-billion-bushel wheat surplus into Uncle Sam's lap. Now it is further proposed that the Soft Red Winter wheat grower also be forced to market a fixed portion of his crop as low-priced feed wheat even though there is existing demand at home and abroad for this class of wheat as human food.

This injustice is so obvious that I frankly am amazed it should be put forward as a part of a package which its sponsors say is designed to solve the wheat problem. The two-price plan could conceivably make life easier, pleasanter and more prosperous for some of the big ranchers who operate wheat spreads of thousands of acres. At the same time, however, it represents a sharp blow to the pocketbooks and the freedom of tens of thousands of small- and middle-income farmers of the Midwest.

It is this group—the family-size farmers for whom the administration expresses such concern—which will get a second blow in the form of the feed grains section of the pending bill. Now, for the first time, producers of corn and other feed grains would be told how many acres of such crops they may plant. Throughout the Midwest there are countless thousands of independent producers who feed on their own farms all of the grain they can produce. In fact, there are many who are unable to produce enough for their own feeding needs even without acreage controls. They buy their additional requirements from other farmers or from commercial sources.

The effects of the proposed feed grain bill would be devastating upon the corn, hog, poultry, and dairy operations of this large group of farmers. By limiting feed production and supplies, the Government would, for all purposes, be telling these farmers how many eggs they could gather, how many broilers they could sell, how many cows they could milk and how many cattle and hogs they could feed.

The proposed bill, clearly, would reduce both the income and the future opportunities of virtually every farmer in the Corn Belt, the very heartland of American agriculture. Farmers themselves have not asked for this ill-conceived program which offers them only a choice between strangulation by Government controls or financial ruin by Government dumping of accumulated surpluses.

This measure, which is avowedly designed at least in part to prevent scandal, is a scandal in itself.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. HOEVEN] has expired.

Mr. MAHON. Mr. Chairman, I offer an amendment.

Mr. HOEVEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOEVEN. Is the amendment of the gentleman from Texas an amendment to my substitute?

Mr. MAHON. Mr. Chairman, no, it is not.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 22, line 15, after "less a reserve acreage of not to exceed" strike out "3" and insert "4".

Mr. MAHON. Mr. Chairman, I have been very much pleased to note the willingness of the Committee on Agriculture to consider perfecting amendments to this bill. If we go into a new farm program for feed grains, a number of adjustments will have to be made if we are to avoid undue hardship. We need a great deal of flexibility in the early years of any new program in order that the Secretary, the State committees, and the county committees and the farmers may work out arrangements which will make it possible for the program to be operated successfully.

My amendment simply provides that instead of a reserve of 3 percent we would establish a reserve of 4 percent, which would yield a larger reserve to the States and to the counties in order that the local committees could work out justice in connection with this matter.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. POAGE. May I say to the gentleman I think he has made a good argument. I do not speak for the committee but, speaking for myself, I would be glad to accept the amendment.

Mr. MAHON. I thank the gentleman. I believe this amendment would give the program, if adopted, a better chance to operate successfully.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. MAHON. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 24, line 11, after "allotments", strike out the period and insert a colon and add the following: *"Provided,* That in establishing farm acreage allotments under this subdivision (C), the Secretary shall give special consideration to farms on which there were acreages of feed grains during 1961 and/or 1962."

Mr. POAGE. Mr. Chairman, if the gentleman will yield, I again, not speaking officially for the committee but speaking for myself, feel that the committee would gladly accept the gentleman's amendment, and I would accept it.

Mr. MAHON. I thank the gentleman from Texas. This amendment would provide that, in giving acreage allotments to new growers, plantings of feed grain in 1961 and 1962 would be given special consideration. I thank the gentleman for his acceptance of the amendment.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Minnesota.

Mr. NELSEN. I have an amendment at the desk which would have made the 5-year period prior to 1960 the base period on which to establish a base, because of the fact that in so many cases because of land rotation a very unfair base is established. The gentleman's amendment and mine would be a little bit conflicting, would they not, in the consideration of my amendment?

Mr. MAHON. This has nothing to do with the base period. This amendment would simply say that people who planted feed grains in 1961 and/or 1962 on old land or new land would be given special consideration in determining their allotment as new feed grain producers.

Mr. NELSEN. I thank the gentleman. I merely wanted to be sure that my amendment did not conflict with his. I will offer mine later.

Mr. HAGEN of California. If the gentleman will yield, is this the class B amendment?

Mr. MAHON. No.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think this is a very desirable amendment, particularly in the light of recent trends in the Southwest. I certainly join the gentleman in his amendment.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. KYL. Would this involve additional acreage to new producers? Since we have a national quota, does it remove it from existing producers?

Mr. MAHON. It certainly would not increase the national allotment. It would come out of the new grower reserve.

Mr. KYL. Where do we get the extra acres?

Mr. MAHON. This would be for new growers as provided in the language of the bill. Certain factors set forth in the bill must be taken into consideration in arriving at allotments for people who do not have a feed grain base—a history of production during the 1959 and 1960 base period.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. POAGE. There are two reserves in this bill. One is the 1-percent reserve at the national level and one is the 4-percent reserve at the State level. It would be passed down to the county and this would come from the reserve.

Mr. KYL. And it would in no way come from the existing production?

Mr. MAHON. It would come from the reserve.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REIFEL. Mr. Chairman, I move to strike out the last word and rise in support of the amendment offered by the ranking minority member of our Committee on Agriculture, the gentleman from Iowa [Mr. HOEVEN].

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman from Illinois.

(Mr. FINDLEY asked and was given permission to revise and to extend his remarks, immediately following the statement by Mr. HOEVEN.)

(Mr. REIFEL asked and was given permission to revise and extend his remarks.)

Mr. REIFEL. Mr. Chairman, let me preface my remarks by expressing a word of appreciation to the chairman, the vice chairman, the ranking minority member and the members of the Committee on Agriculture for their diligent work on the bill before us.

In our many weeks of work on this measure, I found each of them genuinely concerned not only with the special farming interests of their districts but also with the fate of agriculture as a whole. However, in a field so broad and complex, unfortunately there is room for broad disagreement.

With the exception of the section on feed grains, I supported in committee all the other features of H.R. 11222 as submitted to the House.

It was made clear in our Subcommittee on Wheat that while I supported the wheat section as it came out of that subcommittee, I could not in good conscience and on the advice of South Dakota wheat producers support that section if it should become later a part of the overall proposal carrying compulsory controls on feed grain production.

In South Dakota we are as dependent upon agriculture, or more so, than any State in the Union. Unlike Southern States, we are quite limited in the crops we can produce.

Our farmers have been forced more and more to turn to livestock. Over 70 percent of South Dakota's farm income is derived from that sector. Eighty-three percent of all farms in South Dakota, according to the 1959 Census of Agriculture, sold cattle and/or calves.

Thus far this vital segment of our economy has been free of Federal controls. But under the provisions of H.R. 11222, if enacted as it now stands, this freedom of the livestock producer would be in jeopardy. On page 19, beginning at line 20, the bill reads:

> The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (1) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements.

By this language, if it prevails, the livestock industry would indirectly but actually be placed under management supplied by the Department of Agriculture from Washington.

Most of the corn raised in South Dakota is fed on the farm where it is raised. Yet under the provisions of this bill the South Dakota farmer could raise no more than 40 acres of corn or grain sorghums without controls and this is clearly inadequate to support the type of livestock operations on which we depend.

Further, many of the family farmers in my district will be unable to survive the mandatory cutbacks in acreage that would be required. Their feed grains acreages would be reduced because of the Secretary's authority to set the national marketing quota based in part on the amount of feed grains produced for livestock. And their feed costs would be increased.

Meanwhile, farmers in other areas of the Nation would be encouraged to step up feed grain production and livestock feeding because of their desire to escape controls by means of the 40-acre exclusion.

No longer would it be possible for livestock producers to remain free of controls. No longer would it be possible for the smaller family farmers of my State to adjust their operations as they see fit in their own best interests, as has been possible these past 2 years under the voluntary feed grain program.

Plainly, the bill before us is being tailored to woo the votes of reluctant Southern members. But in doing so, this administration is selling down the river the vital interests of the real breadbasket of this Nation—the great Midwest and especially the northern Great Plains.

In essence, this bill offers northern farmers present prices for fewer acres with serious danger to a fairly prosperous livestock sector. The power of decision would be shifted from the farmer to Washington bureaucrats.

For weeks now my mail has been running heavily against this proposal. In a 3-day visit to my district last week I talked to as many farmers as possible to get their views on this proposal. Only one expressed enthusiasm for this feed grains program.

Much has been made of the fact that the farmer himself, voting in referendum, can decide whether to accept these controls. I am inclined to the view which has been expressed here that the choice could be compared to letting him decide whether to shoot himself or cut his own throat.

The Secretary has pointed with pride to the reductions in wheat and feed grains production under the present voluntary programs. Satisfactory sign-ups this year and continuing refinements in those programs indicate farmers accept them as probably the best that can be hoped for.

I think we ought to continue these programs in preference to the punitive, negative approach embodied in the bill before us. I support the Hoeven substitute and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. HARDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARDING: Page 35, line 14, strike the words "multiplied by 50 per centum of the" strike lines 15 through 19 and insert in lieu thereof the following: "multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for feed grains or the national average support rate for feed grains, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates."

Mr. HARDING. Mr. Chairman, just a moment ago we adopted a committee amendment which applies the same provision to wheat that this amendment will apply to feed grains. It was merely an oversight that this amendment was not in the bill when it came from the committee.

Due to the great differences in price supports throughout the United States, in many cases we have areas where the county price support is substantially below the national price support. In many of these instances the market price is substantially above the county support rates. When we force the farmers in these areas to take land out of production and base their diversion payment on the county support rate we are doing them a hardship and an injustice. This amendment which provides that their diversion payments would be based on the higher of the county support or the national support rate will partially alleviate this discrimination. Therefore, I urge the committee to accept this amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ABERNETHY: On page 27, line 12, strike out "Small Farm Exemption" and insert in lieu thereof "Exemptions."
>
> On page 27, line 13, insert:
>
> "(1)" immediately after "SEC. 360f."
>
> On page 28, between lines 3 and 4, insert the following:
>
> "(2) Notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:
>
> "(A) that none of such crop of feed grains is removed from such farm;
>
> "(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and
>
> "(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.
>
> "Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph."

On page 33, line 20, strike out the period after the word "section," insert in lieu thereof a comma and the following: "or (iii) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I would like to ask the gentleman from Mississippi if his amendment is identical with that offered in the Senate by Senator EASTLAND?

Mr. ABERNETHY. The gentleman is correct.

Mr. Chairman, it has been said that our committee and the administration have no desire to control the livestock industry. My amendment will assure that.

I know there is some sentiment here to defeat the whole bill. But we are just kidding ourselves. We might as well face up to the fact that sooner or later, sometime during this session, the House is going to pass a farm bill. The bill will undoubtedly go to conference. When the bill gets to conference the issue which is so controversial here today, control of feed grains, is going to be the issue in conference. So if we can improve this bill, and I feel we can, we ought to take our views to conference. This can be done by way of appropriate amendments to the bill.

The object of my amendment is to assure a free and untrammeled livestock industry in America. The livestock industry has provided the people of this country with the finest and most abundant quantity of meat of any country in the world. The same is true of pork, the same is true of milk, and the same is true of poultry.

This amendment simply says that any livestock farmer, including poultry and hogs, shall have the right and privilege of growing on his farm such quantity of feed grain as his herds and his flocks require. That is all it says. This is a fundamental right of every livestock farmer and poultryman in America.

Feed grain is simply an element of the meat industry. As I said yesterday, feed grain is just a segment of the chain that goes into the production of meat, poultry, and milk. The fence around the man's field or his pasture, is an element. You might or will suggest a control of the fencing if we are going to control livestock. You might even control the seed he plants or the tractors or the plows he uses in his field, insofar as a livestock farmer is concerned.

A dairy farmer down in my district called me the other day and said:

I raise every pound of feed that is fed to my dairy herd. If the farm bill is going to pass, then I would like to know, because my feed will be cut back to the point that I cannot carry on my present operation. So I want to sell off one unit.

I do not know what he meant by a unit, but I understood fully that he would not be able to raise enough feed for his herds and therefore a portion would be disposed of.

This amendment simply permits that dairy farmer, the liverstock farmer, and the poultryman to raise on his farm the quantity of grain necessary to produce the end result; namely, meat, beef, pork, milk, and poultry. That is all it does. It does not permit him to sell one single bushel of grain into the market. First, no grain shall be removed from the farm and, second, the entire crop of feed grains must be used either for seed or feed, on the farm. He cannot use it to feed somebody else's cattle, poultry, or hogs but only his own. And third, he must conduct this entire operation under regulations prescribed by the Secretary. This sets forth the three effective steps of my amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABERNETHY. I appreciate the indulgence of the Committee.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield to clear up one point before you go on?

Mr. ABERNETHY. I will be happy to yield.

Mr. JONES of Missouri. In other words, there would not only be no controls, but the farmer could increase his production both of feed grains and also the number of livestock, dairy stock, poultry, and so forth, under your amendment?

Mr. ABERNETHY. Indeed, he can, and unless it is one of the objectives of this bill to control the livestock industry of this country, then he ought to be permitted to increase his herd; he ought to be permitted to increase the quantity of beef that he sells on the market, and he ought to be permitted to increase the quantity of poultry he sells and the quantity of eggs.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Kansas.

Mr. AVERY. Let me say, first, I am going to support the gentleman's amendment, but I would like to submit an academic question: Just how would this matter be policed? Would the compliance farmers be certificated so that they could sell their grain, or what would prohibit a farmer from raising more corn than he was going to feed and then hauling it off to market? Would you issue a marketing card?

Mr. ABERNETHY. No, sir, he would not get a marketing card. Under the control program we have today for cotton, wheat, tobacco, rice, and peanuts, each farmer is given a marketing card, and he cannot market one bushel or pound of those commodities unless he presents that card. It would be handled, policed, and administered, in almost the identical manner of present programs.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I wish to compliment the gentleman and wish to ask him this question: In my section, over the long run, many farmers have gone out of the cotton business and into the poultry business, the dairy business, so now if you are going to bar them, where are they going to go except to the welfare office?

Mr. ABERNETHY. I think the gentleman is right. You might as well reduce the number of barns, and the number of tractors, as I said a moment ago, the fencing and so on.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Arkansas.

Mr. HARRIS. If I understand the gentleman correctly, it is this: Should a farmer produce for his own use and should he have a very good year and were to produce a surplus that he could not use on his farm, he could not market any part of it.

Mr. ABERNETHY. He cannot. He cannot move one single bushel into the market in competition with the man who is producing grain for cash.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to compliment the gentleman for his amendment, which I think goes to the heart of the future of the livestock and the dairy industry in the country. I am interested in the gentleman's analysis of what the effect of this particular amendment would be in regard to the feeder, to the man who does not run a cattle herd himself but who does buy a quantity of livestock and feeds for the market and moves them rapidly through his lots.

Mr. ABERNETHY. I do not say that this amendment will be of any benefit to him or will affect him one way or the other. He will continue to carry on his cattle operations as he has in the past. He buys cattle for the purpose of feeding and he buys the feed with which to feed them. He would or could continue to operate in the same fashion.

Mr. EDMONDSON. I thank the gentleman for his judgment on this matter.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from North Carolina.

Mr. WHITENER. I too wish to compliment the gentleman from Mississippi [Mr. ABERNETHY] upon this amendment, which I think goes to the heart of one of the most serious problems that would confront my section of the country if this bill is enacted, without the amendment of the gentleman.

Mr. Chairman, I have in my hand a letter written in behalf of 250 dairy producers in western North Carolina who say, in a resolution which they passed, that they strongly oppose that portion of the farm bill which prohibits dairymen and/or cattlemen from grow-

ing the necessary crops to feed the cattle on their farm.

Mr. ABERNETHY. This amendment meets the very objections set forth by these people.

Mr. WHITENER. If the gentleman will yield further. As I understand it, the gentleman's amendment would not authorize the production by these people for sale off the farm, but merely would provide that they could raise these commodities with which to feed their stock on their own premises?

Mr. ABERNETHY. That is correct.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman have 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The amendment which is offered by the gentleman from Mississippi would provide no support whatsoever to these people who take advantage of this provision?

Mr. ABERNETHY. They would not get one nickel from the Federal Government, nor could they place a bushel of that grain on the market, nor offer it for marketing purposes.

Mr. ANDERSEN of Minnesota. If the gentleman will yield further, the gentleman's amendment would increase the consumption of feed grain on the farm, would it not?

Mr. ABERNETHY. I would hope so; I do not know.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Maine.

Mr. McINTIRE. Would the gentleman from Mississippi tell me whether or not the gentleman's amendment takes the place of or would limit the authority of the Secretary in relation to these deficit feed areas? How does the gentleman's amendment coordinate with the deficit feed areas?

Mr. ABERNETHY. I do not know that there is any relationship between my amendment and the deficit areas amendment. Of course, any amendment to the bill is, naturally, going to affect to a certain degree other sections of the bill. But the object of the amendment is not particularly to benefit a deficit area or surplus area. The object of the amendment is to assure the livestock farmers, who raise their own grain, the privilege of carrying on a sound farming operation. That is all it proposes to do.

Mr. McINTIRE. If the gentleman will yield further, the gentleman considers poultry in the "livestock" category?

Mr. ABERNETHY. Yes, sir; it is included in my amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. TAYLOR. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute.

Mr. POAGE. Mr. Chairman, I am not gong to object to the gentleman having 1 more minute, but the gentleman has had 13 minutes up to the present time. Yesterday the statement was made that we were not going to allow anyone to have more than 5 minutes. Certainly, I am not going to object to the gentleman having this additional minute, but I think we must serve notice, if we are going to finish this bill, that we have got to stop this matter of continual unlimited debate. The gentleman has had more time by far than any other Member has had on the amendments.

Mr. ABERNETHY. I say to the gentleman from Texas that the gentleman from Mississippi did not ask for the time.

Mr. POAGE. I know the gentleman did not, and I am not criticizing the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Chairman, I object.

Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is time to commend the gentleman from Mississippi for offering this amendment. As he well knows, almost every livestock producer in America is in favor of this amendment. As one who is a livestock producer and who represents a livestock producing State, I would certainly have to be for the gentleman's amendment. However, I would like to ask the gentleman a question. This is the thing which concerns me. It is very apparent that there is a lot of support for the gentleman's amendment on the other side of the aisle. If the gentleman's amendment prevails, it looks as though there is not any question about this bill passing on the floor of the House. Could the gentleman give me any indication of his thoughts as to the possibility of his amendment prevailing in the event the bill goes to conference?

Mr. ABERNETHY. Well, I wish I could; but, of course, I cannot. I doubt that I would be one of the conferees. I cannot give the gentleman any assurance at all. I can only answer the gentleman in this way: Let us not kid ourselves. A bill, eventually, will go to conference. What are we going to do? Are we just going to take a stubborn position and say that we are going to kill this bill? Next week there will be another one back here; and there should be. Eventually a bill is going to conference. If we are going to take a bill to conference, it has to have the views of us in it, or it will not have our views in it. It is just that simple.

Mr. SHORT. Mr. Chairman, the gentleman knows that this same amendment was offered on the Senate side, on the Senate floor, and it was not adopted. That is the thing that concerns me if this bill goes to conference.

Mr. ABERNETHY. I will say this to the gentleman, that it had considerable strength over there. It failed by 45 to 40; that is all.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Of course, this is the most important amendment that we have considered up to now; there is no question about that.

Mr. SHORT. I agree with that.

Mr. ALBERT. Mr. Chairman, let me ask the gentleman from North Dakota or the gentleman from Mississippi, is it not possible and probable, if this amendment passes with no limitation whatsoever, we will encourage an integrated type of agriculture and have chainstores in the livestock business against the interests of livestock producers of this country? Is not that possible?

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield to me to answer that?

Mr. SHORT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I have heard it said by some that that would be the effect of it. But it must be borne in mind that the chainstore right now can go into the cattle business if it wants to. There is nothing to prevent them from doing so. And up to now some of them have done it. This does not deal with that issue at all. This is an entirely different matter. If someone wants to take care of that, he could offer an amendment to do so.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, it would encourage a continuation of that, would it not?

Mr. ABERNETHY. I cannot agree with that view.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, I would like to ask the gentleman if he has any idea what the attitude is of the chairman of his committee on his amendment and what he intends to do if he goes to conference with it. That is a very simple question and a very straightforward question.

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield to me, I should like to say this. I have served under my chairman for 18 years. I do not know of an instance where he has gone to conference with a bill that he has not attempted to persuade that conference to support the views of the House. I have not asked my chairman what he will do on these amendments, and I do not think I shall ask him. But I believe he will discharge his responsibility and attempt to support the views of this House.

Mr. ARENDS. Mr. Chairman, I should like to ask the gentleman from North Carolina his position on this amendment.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. SHORT] has expired.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

(Mr. JENNINGS asked and was given permission to proceed for 5 additional minutes.)

Mr. JENNINGS. Mr. Chairman, as has been said, we are now down to the meat of this bill. We started out on the premise that we were going to go in one of two directions. We were either going

to go the control route, in which case we would give the farmers of this country a support price, or we were going to go the freedom route, in which case we were going to get the Government out of the business. We were going to give the farmer the right in a referendum to determine which of these alternatives he wanted. Now we are right back where we started. We marched up the hill and now we are back down at the bottom.

Under this amendment, here is what is going to happen. I represent a livestock-producing area. I am a livestock producer myself. If this amendment passes, I am going to get a real good price for my feeder cattle for a year or two. Why? Because out in the feed belt of this country, the feed-grain farmer is going to come down into my section and he is going to buy those cattle at a high price. That is going to last for about 1 or 2 years. Two years from now we will be back on this floor, if this amendment passes, in the very same position, with the livestock industry, hogs, cattle, poultry, and what have you, as we are in today on feed grains and wheat. Why? Because instead of the feed-grain farmer having a market, as he has down in my section and elsewhere, for his feed to be fed to livestock, he is going to buy the livestock and try to feed them and market them; and we are going to have the largest glut of livestock on the market that we have ever seen.

It is going to be absolutely disastrous.

Let me tell you what the Department of Agriculture had to say about it. I think I can best read the letter.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. No, I cannot yield now but I will be glad to yield later, because I know the gentleman has a significant contribution to make.

This is what the Department says:

There is one proposal which may be made in connection with H.R. 11222 to which the livestock industry should be alerted. This is an amendment providing that any feed grain producer would be exempt from acreage allotments if he feeds all the grain he produces.

The livestock producers in the United States ought to be aware of the dangerous potential of such an amendment. This amendment says, in effect, to the thousands of farmers who sell all or most of their feed grain production—"You can avoid reducing your feed grain production by getting into the livestock business, or by increasing your livestock production so that you use all the grain produced on your farm." This amendment is an open invitation to sharply expanded livestock production and to chaos and low prices for the livestock industry.

This proposal was described during the Senate debate as an effort to give the small farmers a chance to produce enough feed for their livestock. This is extremely deceptive. The fact is that such an amendment would benefit the larger farmers, and the integrated feed lot operations to the detriment of the small and family-sized livestock and grain farmers.

The small farmer is far better protected by the provisions of this bill which permit planting up to his base acreage where it does not exceed 25 acres.

I am going to offer an amendment to increase that to 40 acres.

It is on the larger farms where grain now sold for cash could easily be channeled to heavier livestock feeding. Those larger farms are primarily in the important grain producing areas.

About half the corn produced each year is on farms which sell some corn.

Under this amendment you would not be able to sell any.

On all those farms, there would be an almost irresistible temptation to begin "to feed it all at home." Therefore, existing livestock operations would be severely damaged, particularly those which depend on a supply of purchased feed.

This is an appealing amendment. If you knock this provision out, heed this, and heed what the Department says. The livestock producers agree with it, and I say that because I am one. This would be disastrous. I ask that this amendment be defeated.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Illinois.

Mr. ARENDS. I just want to say to the gentleman from Virginia I could not agree with him more. He has exactly stated what would happen. I would love to have the chairman get up here and say what his attitude is on this amendment.

Mr. JENNINGS. I do not have too much time, but I want to tell you about the situation. This was brought up in the other body. It was knocked out in the other body. We had it before our committee. It has been discussed.

It is not something new. But it is something that will be disastrous to the livestock producers.

Exactly what is going to happen down in my section, where we have grass-fed cattle? That is going to be shifted. You people from the South, the Southwest, and the Northwest, I will tell you what is going to happen to your livestock industry. It is going to be frozen right where it is, except it will decline after about 2 years because it will all shift out to the feed grain areas of this country. I will tell you now you are going to have a hard time explaining it. I want to say now in advance that I want no part of this particular amendment.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman is making a very fine argument. I agree with him wholeheartedly. As a matter of fact, cheap feed means cheap livestock.

Mr. JENNINGS. Absolutely, but as I pointed out in the colloquy with the gentleman from Texas the other day, the fact that cheap feed makes cheap livestock does not necessarily mean that the housewife is going to get cheaper meat. It has just been in reverse.

In the case of wheat, in the case of other surpluses on the market, the processor, the middleman, the hauler, and everyone else gets the benefit, but the farmer does not get it at one end and the housewife does not get the benefits at the other end.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman from Illinois asked about the attitude of the committee. Well, I cannot speak for the committee, I can only speak for myself, but I want the gentleman to know we are opposed to this amendment. This amendment would let anybody go out and lease up to 10,000 acres of land and plant it in corn, and if you could get the credit, bring cattle in and feed all the corn you could grow. I am for controls—this amendment has all of the burdens of controls without the benefits.

Mr. JENNINGS. The gentleman is exactly right. If we want to put everyone but the farmer in the livestock business, and many of them are there now, then pass this amendment. If that is the way we are going to go, then the farmers as we have known them in the past, will not be a group of rugged individualists, but they will be a group of ragged individuals.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Illinois.

Mr. ARENDS. I want to reiterate my support of the gentleman's position and I want to thank the gentleman from Texas for stating his position, but I am still waiting to hear the chairman of the committee state his position on the floor of the House.

Mr. JENNINGS. I will state to my colleagues, I have confidence just as the gentleman who offered his amendment has confidence in the chairman of our committee. When he goes to conference on this bill, he will try to uphold the hands and sustain the actions of the House of Representatives. His actions down through the years speak well for him and show that is just what he has done in the past. I just hope that the gentleman who has agreed with me will come out with some votes on his side of the aisle.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course, I am opposed to this amendment. I think everyone knows that about 75 percent of the feed grain goes to the market on the hoof, in the form of hogs, cattle, and poultry. If you adopt this amendment, you destroy all of our efforts to bring about an adjustment in the feed grain situation. This amendment was not pressed in the committee by the author who has served on the committee for many years, and it was not considered by the committee except collaterally.

I submit the adoption of this amendment will defeat the objectives of the legislation. When it comes to going to conference, of course, if this amendment is adopted, I can assure the House that I will do the best I can to protect the position of the House. I think most of you know that in our efforts on former occasions, we have always been very zealous in our efforts on the House Com-

mittee on Agriculture to protect the position of the House, even if on occasion I have differed with the position taken by my colleagues, as I differ with many of you now. But I urge you to vote against this amendment and vindicate the position of the House Committee on Agriculture. I am impressed with the soundness of the argument presented here in opposition to the amendment. A lot of people believe that cheap feed means profit for the livestock man. But those who know anything about the problem know just as the gentleman from Virginia [Mr. JENNINGS] said, that you might increase the profit of the livestock man during the current year, but you would have the house come tumbling down on him next year. So I urge that the amendment offered by my colleague, the gentleman from Mississippi, be defeated.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I personally regret very much to speak against an amendment offered by my very good friend, the gentleman from Mississippi.

Cheap feed means cheap livestock, I am firmly convinced that it cannot be otherwise. The more cheap feed you are going to make available the more grain farmers will be going into the livestock business. People not farmers and everybody else will be getting into the livestock business.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Virginia.

Mr. JENNINGS. I think the distinguished gentleman will agree with me that if we are going to make an exception for livestock we should make a like exception for dairying and the production of milk as well.

Mr. HOEVEN. There is no question about that.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ABERNETHY. Does not the gentleman believe that the farmer ought to have the right to raise enough feed to feed his own hogs?

Mr. HOEVEN. I would say to the gentleman that personally I am heartily in accord with the gentleman's proposal. However, I like to be a realist. The adoption of this amendment, of course, would be beneficial to the feed grain farmers who feed grain produced on their own farms; and, to that extent, it is a worthwhile amendment.

Mr. ABERNETHY. If the gentleman will yield further, does not the gentleman feel that an exception should also be made in the bill to permit a man to raise some corn in his garden patch to feed to his family and children?

Mr. HOEVEN. I do not think much corn is fed to children. The gentleman who offered the amendment properly shows concern for the feed grain farmers. But what about the farmer who sells his corn for cash? I know in my enlarged congressional district 12 of the counties are in the feed grain area where they feed about 85 percent of corn on the farm, but some of my new counties are in the cash grain area, and I am just wondering why one area should be controlled and not the other. Why should there be this kind of discrimination?

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. BELCHER. The gentleman from Mississippi raised a very good point. If a man raised wheat on his own land he ought to have a right to feed his own livestock. By the same token what about his neighbor who had no livestock? And also why should a farmer be permitted to raise a thousand acres of corn and feed it all to livestock but not be allowed to raise one acre of wheat to feed to his chickens? I ask that because under this bill there is no exception whatever for wheat that is raised on the farm and fed on the farm. We have a 30-acre exception in the bill that passed 2 years ago. I see no reason why we should deny a man the right to raise an acre of wheat to feed to his chickens and yet allow him to raise a thousand acres of corn to feed to his hogs.

Mr. HOEVEN. A similar amendment was turned down in the other body. When this bill goes to conference, does any one really believe that this amendment is going to prevail in conference? I do not think so.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. JENNINGS. As I understand the amendment offered by the gentleman from Mississippi, a man who did not feed all of the grain that was raised on his farm could not get any price support and could not participate in any of the programs on the remainder so, he would have to do one of two things, either cut back or feed it all.

Mr. HOEVEN. Exactly.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 20 minutes.

Mr. DENT. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I am trying to move along with the bill. I am not trying to close off debate. I ask unanimous consent that all debate on the pending amendment close in 30 minutes.

Mr. DENT. Mr. Chairman, reserving the right to object, I have a substitute for this amendment that has been offered, and I would like to have that come within the time limit.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

(Mr. JENNINGS asked and was given permission to revise and extend the remarks he just made.)

Mr. DENT. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The Clerk read as follows:

Amendment offered by Mr. DENT as a substitute for the amendemnt offered by Mr. ABERNETHY: Amend page 27, section 360F, line 15. Strike out all after the word "with" and all of lines 16–25 inclusive on page 27, and all of lines 1, 2, 3 on page 28 and insert in lieu thereof after the word "with" on line 15, the following:

"A total farm acreage of four hundred acres or less of which not more than 50 per centum is devoted to the production of feed grains: 90 per centum of said production to be consumed on the farm premise as feed for livestock; 10 per centum shall be allowable for marketable feed grain. Any farm having over four hundred acres shall be allowed not more than a maximum of two hundred acres production of feed grain as an exemption from the market quota. If not less than 90 per centum shall be used as feed on the premises, the farm marketing quota shall be applied to all production of 50 per centum of the total acreage of the farm or two hundred acres whichever is appreciable under the above formula."

Mr. DENT. Mr. Chairman, all of us agree with the principle involved in the amendment offered by the gentleman from Mississippi. We can also see the basic logic in the argument offered by the gentleman from Virginia. I know the dangers involved in a wide open situation being allowed in connection with rental of farms, the leasing of farm property, or the acquisition of farm property, with no limitation whatsoever on the growing of feed grains and the fattening or feeding of cattle, poultry, and other livestock.

However, this amendment I have offered goes to the root of the small farm problem, and it is offered to that section of the bill dealing with small farm exemptions.

Anyone in this room who has had experience with city life itself and the farm community surrounding city life knows full well that the farmers feed the smaller urban communities in States like Pennsylvania, Ohio—in other words, the eastern seaboard.

All we are asking in this particular amendment is that we set aside for the family farm unit, particularly in the States such as mine. There are 57,000 family farms affected by the legislation. They will be over the 25-acre allotment. They will not be helped by the 40-acre allotment simply because we are using the base of 1959–60. If you will look at the chart, you will see Pennsylvania increased its production to meet its deficit of 1,877,000 tons of feed grain, and reduced that to 417,000 tons of feed grain in 1960–61.

This bill would put every farmer in Pennsylvania who uses his own feed for his own purposes in the position of buying 40 percent of his requirements just to meet his own production as it was in 1960–61.

The serious situation is that we are saying to the 57,000 farmers in the State of Pennsylvania and in all of the eastern seaboard States that their economy must be put at the stagnation point of 1958,

1959, and 1960; that they cannot go beyond that, because the formula absolutely rules out any addition to whatever acreage they may have been using in those years, even if it was only 15 acres, 12 acres, 9 acres, 25 acres, or anywhere up to the newly proposed 40 acres. We are not asking for defeat of the legislation. I believe some legislation is necessary. Of all of the elements of industry in our economy in the United States, farm legislation is a must and a necessity, whether we like it or not. It does not hit to the bottom of socialism or anything of that kind. It is intended to protect the farmer in his ability to compete in the economic market of an industrial society. So, therefore, the legislation is essential; it is needed; it is required. Let us make it work by giving the farmer who consumes 90 percent of his production, when not more than 50 percent of his acreage up to a 400-acre family farm is used to grow feed grains, this opportunity. He has, yes, a 10 percent allowance of his production for the cash market, but anybody that knows anything about farming knows that if he is raising cattle, he must have some salt. So, at least allow him 10 percent for the cash product to buy the salt for his cattle. That is the only thing I am asking in this substitute to the amendment offered by the gentleman from Mississippi.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I do not see any analogy at all between the amendment which the gentleman has offered and the amendment which I offered. They are unrelated.

Mr. DENT. Your amendment strikes out the small farm exemption in this act.

Mr. ABERNETHY. No; it does not.

Mr. DENT. You strike it all out and insert in lieu thereof your amendment.

Mr. ABERNETHY. No. The gentleman misinterprets the amendment. My amendment leaves in the small farmer amendment and sets up a second exemption. It does not strike anything.

Mr. DENT. It exempts all farmers so long as they feed all of the feed grains they grow to their own stock.

Mr. ABERNETHY. It does not strike out the small farm exemption at all.

Mr. DENT. It adds to. Let us put it that way.

All I am doing is protecting the very thing that the gentleman from Virginia covered.

Mr. QUIE. Mr. Chairman, I rise in support of the Abernethy amendment, because as long as we are putting loopholes in this law, I think there is one basic thing in this country, that if a person does raise livestock on his farm, he should not be prohibited from raising the grain on his farm for that lvestock if he has enough acres for it.

As Senator EASTLAND mentioned in the other body:

I submit that before Mr. Khrushchev takes over, we should get back to some of the fundamentals upon which this country was founded. A man owns his soil to derive the fruits thereof. Suppose he owns a farm and has invested thousands of dollars on tractors and other farm equipment with which to raise grain to feed his livestock. There cannot be any reason why he may not grow on his own property the necessary grain to feed his own livestock.

I too think it basic Americanism to permit a farmer to produce for the needs of his livestock if he wishes. Whether it will ruin the program now being proposed, which I am opposed to, I have little regard for it for the feed grain section of this bill is wrong. I think this is something, if we are going to have it, we ought to have the gentleman from Mississippi's amendment adopted.

Mr. ABERNETHY. First I would like to express my thanks for the support of the amendment of the gentleman from Minnesota [Mr. QUIE] who comes from a great corn-producing State.

Mr. Chairman, it has been asserted time and time again on this floor during the debate that 85 percent of the grain is either used on the farm where grown or in the area where grown. It has also been said that 75 percent of the grain is fed on the farm to the farmers' own livestock, which means that these farmers who are feeding their cattle with their own grain are not selling any corn.

Mr. Chairman, all I am trying to do is to preserve the status of the independent American cattleman, poultryman and the hog raisers of this country.

The CHAIRMAN. The gentleman from Missouri [Mr. JONES] is recognized.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I think this amendment of the gentleman from Mississippi [Mr. ABERNETHY] would be fine if he would just put one other limitation on it. I am in favor of the farmer growing everything he wants to grow on his farm, if he feeds it to his stock, so long as he keeps the stock on the farm. If he will do that, we can agree with the amendment. That would take away many of our original misapprehensions. If you want to save yourself on the farm, let us do that.

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield, I do not understand the gentleman.

Mr. JONES of Missouri. We are going to let you grow all the feed you want to as long as you feed it to your own stock and then consume that meat and dairy and poultry production on the farm.

Mr. ABERNETHY. I doubt that I could eat that much.

Mr. JONES of Missouri. I do not think the gentleman could either.

Mr. ABERNETHY. But that would be better than what we have got here, I will tell the gentleman that.

Mr. JONES of Missouri. In other words, there should be a reason for having a farm program.

Mr. Chairman, I am going to read just one little paragraph from a fine editorial which appeared in my hometown newspaper, the daily Dunklin Democrat, of Kennett, Mo.

It says:

American agriculture has produced more than the market will take, and it will continue to do so as far ahead as anyone can see. Domestic consumption expands only with population growth. Our production potential is growing faster than our population.

Mr. Chairman, that is the only reason we have any justification for having a farm program. If you are going to transfer the production of livestock and the feeders and the dairy products onto these individual farms, you are going to destroy the very economy that we have built up.

Now, what we are trying to do here is to try to adjust our production to our consumption. I think that the committee has gone about it in a very good way. We are beginning to reach that end. But every fellow has the idea if he can adjust this thing to his own individual situation, it will be a perfect bill.

Mr. Chairman, I recall last year, when we were talking about the poultry marketing agreements, a friend of mine who had always been a free-enterprise man, who had opposed every kind of control—he was a broiler producer, and he was producing 800,000 broilers a year—told me quite frankly this: He said: "Just let me alone and I am going to freeze out these little guys." It was less than a week after we had passed the farm bill, in which the conference committee had killed the poultry marketing agreement section, when he called me up at 11 o'clock one night. He said: "Paul, I want to change my idea about my being a big producer." He said: "I thought with my 800,000 broilers I was big, and I could freeze out the small guy. But," he said, "I am a small potato in this industry today." He said: "You are going to have to do something for us small men."

Mr. Chairman, 800,000 chickens is a pretty good operation in my section of the country. He was one of the largest producers there. However, he was just a small pebble in a big pond when he got away from home. That is the same thing you are going to do with this situation as it pertains to feed grains if you adopt this Abernethy amendment, or the amendment which has been offered by the gentleman from Pennsylvania [Mr. DENT]. I think the objection to the amendment of the gentleman from Pennsylvania is this: When you limit the number of acres, no 2 acres anywhere in the United States is going to produce the same amount. That is not the criteria which should be used. We have farmland producing some grain which can be bought for $50 an acre. However, some such land will run as high as $1,400 an acre.

Mr. Chairman, I think if we are going to have any kind of farm program, we will have to defeat the amendment which has been offered by the gentleman from Mississippi [Mr. ABERNETHY]. I want to mention this for the benefit of these farmers who come from areas such as I do where we produce cotton and other supported crops. If we want to maintain a farm program, we are going to have to get our house in order. If we are going to accept Government payments, we are going to have to make a contribution. The only contribution any farmer can make toward this objective in order to

justify his support payment is to make an effort to get a production adjustment. That is what we are striving for in the bill now before us.

Mr. Chairman, the Abernethy amendment would destroy that very philosophy and we might as well throw all your farm legislation out and say "Let us all go it whole hog or none."

I guarantee that if you do not continue to have a farm program you are going to see the greatest depression this country has ever known, including the one in 1930. I do not want that to happen. That is why I am supporting the committee bill as it is, and I should hope with as few amendments as possible.

In connection with the above statement, I am including herewith copy of the entire editorial from the Daily Dunklin Democrat, referred to above:

SEVEN POINTS FOR AGRICULTURE

The American public, 92 percent of whom do not live on farms, has been treated to a highly emotional debate on farm policy in recent weeks in connection with the administration's Food and Agricultural Act of 1962. In this debate fact and reason are being answered by wild and reckless statements which have little bearing on the problems the American people must solve in the near future.

When facts are lost in wild flights of fantasy, neither the farmers nor the general public can appraise the real situation of agriculture. When this happens, Congress and the people may react by washing their hands of the whole business.

For instance, an article published in a magazine of national circulation by a prejudiced author causes readers of the article to become confused. However biased and untrue such an article may be, many uninformed yet interested persons accept the contents of these articles as true facts.

The tragedy of this could be that our democracy is impotent and unable to exercise its concern for human values—the human element of public policy can be driven out by reckless, irresponsible actions and words. Yet this concern for human values is one of the unique characteristics of democracy which sets it apart and above any other political system.

The debate on the farm bill and farm policy must recognize the basic facts of the current situation in American agriculture:

1. Farm income has been at extremely low levels in relation to income of nonfarm people, and in relation to the cost of products the farmers must purchase. Many farm families on small farms have been badly hurt. But many full-time farmers have also had extremely low incomes.

2. The economies of many small towns and cities such as are located in southeast Missouri and northeast Arkansas are dependent on a prosperous agriculture, an agriculture composed of several million efficient family units. Yet to keep these farm families on the farm, rural education and opportunities need to be as good as they are in the larger towns.

3. A return to a "no program" agriculture, which some seem to prefer, would put farmers through a most serious agricultural depression. An abandonment of farm programs would result in farm prices and incomes at disastrous levels where they would remain for a long time. Many more farm families would leave the farms and seek employment on the labor market. Most economists are convinced that the depression of the 1930's was brought about because of the extremely low agricultural prices throughout the world, and some predict a future depression if low farm income continues in this country.

4. The technological revolution in American agriculture is real, and it looks like it will continue. There is no stopping it. Output of farm commodities is expanding at an unprecedented rate. Farm problems can get worse.

5. American agriculture has produced more than the market will take and it will continue to do so, as far ahead as anyone can see. Domestic consumption expands only with population growth and our production potential is growing faster than our population.

6. Our complex American agriculture, made up of some 3.7 million production units scattered over the entire Nation, has not been able to make the desired adjustments which would keep supplies anywhere near demand. However, it has been proven that low farm prices do not assure lower total farm output. In fact, it works in just the opposite direction because of the producer need for dollars to meet fixed overhead and operating costs. Farming is a way of life and many are tied to the land by a long heritage, not simply by dollars and cents. Farmers increase their output, despite lower prices, in an effort to stay on the land. Many farmers are still on the land because of increased land values, which give them a greater borrowing capacity.

7. Most farmers recognize the public cannot continue to make large Government expenditures to acquire large stocks of surplus commodities that will go unused, and indeed are expensive to store. It is, therefore, in the public interest to reduce the Government cost of supporting farm prices. This can be done only by reducing the cost of acquiring, storing and handling surplus production of commodities. Supply management would eventually solve this problem.

It would seem that farmers must seek a balance between what they can produce and what the rest of the Nation can use. This balance would avoid the waste of soil fertility and waste of the farmers' expensive efforts, and this balance would also make it possible for efficient family farmers to earn incomes comparable to those earned in nonfarm occupations.

Most Americans approve of conservation and the wise use of our land and water resources and the adjustment of their use to the conditions of today and the potential needs of the future. This is also in the public interest, as it insures abundance for our children as well as ourselves.

We all have a responsibility in correcting the present ills of American agriculture, just as a democracy has a responsibility to help its citizen farmers by enacting legislation that will allow them to manage their industry.

The human element of the farm problem cannot be lost in the flood of irresponsible words and action, or as a democracy we will be throwing away the very thing which has made our Nation stand strong and fast.

The administration's Food and Agriculture Act of 1962 will help the farmer stay on the land and in his community, not out of charity and sympathy, but out of recognition that national legislation is needed to solve his problem. In so doing we will strengthen our whole economy and our whole Nation.

The administration's bill, despite all that has been written against it, will attempt to curb production while at the same time protect and improve the income of the farmer. It may not be a perfect bill, but it comes closer to an improvement in American agriculture than any measure yet devised.

It should be passed by the House of Representatives.

It should have the support of the Nation.

It deserves both.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I think the Committee on Agriculture, and particularly the gentleman from Texas [Mr. POAGE] will agree that there is evidence before his committee today that the great chainstores of the country are already getting into the business of integrating the livestock business of this country. They are in the dairy business too.

If we adopt this amendment, I submit that every chainstore will go out and buy up every feed lot available and will get into the business of raising feed grains across the country. You will have an integrated system of food supply owned by the chainstores from the cattle until the housewife buys it. Therefore, speaking simply as an urban Representative, nonagricultural expert, I hope this amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SIKES].

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Chairman, I support the Abernethy amendment. I try to be a realist. The number of farmers in my district declined steadily for years because they couldn't make a living. For years we in the South were dependent primarily on cotton, peanuts, and tobacco for cash crops. Under the system of strict acreage controls which has been in effect for years, our allotments have dwindled to the point that many farmers have been driven from the land. Some farmers were able to convert to other crops to supplement their income. They turned to grain and livestock production. In many cases these have become the farmer's principal sources of income. We still are a grain deficit area, but as the result of this change from cotton, peanuts, or tobacco, the farm situation has been improving.

I think it is clear that the feed provisions which now are a part of this legislation will arbitrarily close the door for a livelihood which has been opened to many farmers. They would find themselves faced with a new set of controls, new limitations, and the additional haz-

ard of cross compliance to jeopardize their dependence upon other crops.

Mr. Chairman, I would be extremely reluctant to say to the American farmer: "You cannot even grow grain on your own farm to feed your own livestock." I know some controls are necessary. But I do not see this invasion of fundamental rights, as carried in this bill, as necessary. I know it is not desirable. In this we are going a long way from the freedoms of which we have so long been proud.

The amendment of the distinguished gentleman from Mississippi is one of the most important improvements which has been suggested to this bill. I hope that it carries. The livestock farmer has contributed but little to the grain surplus problem. Farmers nationwide should not now be penalized out of the opportunity for a livelihood which grain and livestock production affords them. This is what the bill may do unless the Abernethy amendment is adopted.

The importance of the amendment is not limited to any one area. It is a preservation of right which should be guaranteed to every American.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

(Mr. JONAS asked and was given permission to revise and extend his remarks.)

Mr. JONAS. Mr. Chairman, members of the House Committee on Agriculture are badly split on this legislation. Indeed, I understand the bill was voted out of committee by a margin of only one vote. Since I do not have the privilege of serving on the Committee on Agriculture, and therefore did not have an opportunity to sit through the hearings and listen to the testimony on the bill, I confess that I am about as mixed up in my feelings concerning this legislation as was the committee itself. And this confusion increases as the debate progresses.

Members of the House Committee on Agriculture, for whose judgment I have profound respect, have stood on this floor and stated during the debate that failure to enact this legislation will be a calamity to agriculture. Of course anything that is calamitous for agriculture will be contrary to the country's best long-range interest. But other members of the committee, for whose opinions I have equally profound respect, have stood on this floor and stated during the debate that this bill will ruin the farmer and that it gives him only a choice between complete regimentation and ruin, and therefore its enactment would be a calamity to agriculture. I have already acknowledge that I believe anything that is calamitous for agriculture will not be to the best interest of the country as a whole.

I received one of those famous June 19 letters that Secretary Freeman wrote to a selected number of Congressmen. In his letter the Secretary became almost poetic in extolling the merits of this bill. He stated categorically, as if there were no room for debate and only one side to the question, that the bill will solve the farmer's problems, save the taxpayers money, make rural America prosperous, and at the same time keep costs low for the consumer. Of course I heard those same arguments by the proponents of farm legislation almost every year since I have been here. But no one has been so eloquent and so categoric in his claims as the Secretary was in his letter to me. The clear implication from his letter was that disaster would result unless the House approved the bill as it came from the Committee on Agriculture.

But now lo and behold, the chairman of that committee, my distinguished colleague and friend from North Carolina [Mr. COOLEY], on yesterday, stated that the committee was prepared to accept a number of amendments, and the Committee of the Whole House on the State of the Union has already today accepted many amendments which have made material changes in the bill as reported by the committeee. This certainly gives me the right to question whether the bill was as perfect when it was reported by the committee as it was represented to be by Secretary Freeman and other administration spokesmen.

So with all of the contradictory statements and allegations about this bill by people who are experts in the field of farm legislation, the issue becomes more confusing as the debate continues. I have about concluded that the bill should be recommitted to the committee for further study, following which a clean bill can be reported in order that those of us who do not serve on the Committee on Agriculture may have an opportunity to know all that is in the revised bill and a chance to study the provisions that have been adopted since the debate began.

One thing this debate has clearly shown, and that is that there is no universal opinion on what is in the best interest of all of the people in our country. What seems desirable for one section of the country seems unfair to another. This leads me to raise the question whether farm legislation can be enacted that will deal fairly with all people engaged in farming activities and at the same time deal fairly with other American citizens who process and sell farm products and to the other millions who consume them.

Out of all of this confusion, two things are clear. The Government of the United States has been trying for years, through control legislation, to reduce the accumulation of agricultural surpluses. The Government of the Soviet Union has been trying for years, through legislation and decree, to increase the production of agricultural products. Both governments have failed in these efforts. These two facts lead to me question whether it would not be advisable for governments to stay out of the business of trying to control agriculture.

The Abernethy amendment would extend freedom and moves in the direction of eliminating controls. For these reasons it will receive my support.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MARSHALL].

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. MARSHALL] may have the time allotted to me.

Mr. MASON. Mr. Chairman, I object to any of this giving of time.

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the pending amendments. I do not wish to create chaos in the livestock industry.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR. Mr. Chairman, I would like to commend the gentleman from Mississippi for presenting this amendment. I agree with the statement that this is the most important amendment that has been presented on this bill. It is very vital and important to America's livestock industry and it is important to the livestock industry in my home district. I might state that silage is our main product, and it is all used at home to feed livestock on the farm.

I have at the desk an amendment which would exempt silage from the provisions of this bill without restricting it to the 1959–60 base. If this amendment offered by the gentleman from Mississippi is adopted, then my amendment will not have to be presented.

I should like to ask the gentleman from Mississippi one question. Under your amendment, is it not correct that a farmer can raise as much silage on his own farm as he needs to feed his own stock?

Mr. ABERNETHY. That is correct. I am supporting this amendment because I cannot go home and tell my livestock producers that they cannot produce enough feed on their own farms to provide for the needs of their own livestock.

(Mr. TAYLOR asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, in 1943 while I was serving in the Armed Forces in Africa later in Europe, my father passed away. At that time our farm was operated under a court order. My father left our farm to mother's life estate. When my mother pased away we again operated this farm under a court order. My father had always said, "Never break up this farm." You cannot farm the type of ground that we farm without some heavy equipment and it is very difficult to farm 150 or 200 acres in our part of Dakota County, Nebr., individually. So we kept our farm together. In years that we do not raise enough feed on our farm, we buy from our neighbors. In other years when we raise too much, we sell to our neighbors. I want to say to you, if you pass this farm bill as it is, or even with the amendments which will come back from the Senate and House conferees, every farm in the United States will be operating under a court order; and I am completely against it.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Chairman, the livestock industry plays an important role in the economy of my district. Certainly, I do not wish to take any action here which would jeopardize that industry or the farmers so engaged in that industry. But while I have the greatest respect for my friend, the gentleman from Mississippi, and I can see considerable merit in his amendment, I also can see considerable merit in the arguments of my friend, the gentleman from Virginia. I would like to take this time to ask the gentleman from Mississippi if he would accept a limitation to his amendment so that everybody—the doctors, the lawyers, the dentists, and so forth could not get into the livestock business, if his amendment is adopted. Would the gentleman entertain a limitation in his amendment limiting this to farmers, livestock farmers who have a history, or who have been engaged in the livestock business for several years?

Mr. ABERNETHY. This amendment of mine does not encourage any professional men to get into the business any more than they could come into it now. All I am trying to do is just to free the livestock people from controls. That is all I want to do.

Mr. HARSHA. I think it is reasonable to assume that if the livestock people are freed from these controls, and certainly I do not approve of controls and I want that understood, but if the livestock part of the agricultural economy is free from controls, is it not reasonable to assume that everybody is going to try to get into that business?

Mr. ABERNETHY. If they are free from control, the professional people could not get into it.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, with all deference to my friend, the gentleman from Pennsylvania [Mr. DENT], his amendment has absolutely no relationship to the amendment I have offered. He misinterprets the forepart of the amendment which strikes the title of small farm exemptions. It is true the title is stricken, but the small farm exemptions are clearly left in the bill. My amendment simply adds feed for feeding on the farm to the exemption provision. It leaves the small farm provision intact.

Now as to the chain stores, with all deference to the remarks made by my good friend, the gentleman from California, chain stores can get into the cattle business at this very hour, if they want to get into it. There is nothing in my amendment which encourages them to get in or out of the cattle business.

It has been stated over and over again by my friends to my left, that the object of this bill is to control the livestock industry. While I do not necessarily agree with that, my amendment does assure that the people in the livestock business will not be controlled.

It is just fundamentally wrong to deny a man the privilege of raising on his farm the quantity of feed needed to feed his own cattle, his own dairy herd, his chickens, his hogs and his billy goats, if he has any. That is all I am trying to do.

As for the statement made by the gentleman from North Carolina [Mr. JONAS], the purpose of my amendment is to keep the government out of the livestock industry, which is in keeping with the gentleman's philosophy. So, I hope he votes for the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FINDLEY] is recognized.

Mr. FINDLEY. Mr. Chairman, I glory in the eloquent defense the gentleman from Mississippi has made for the small grain farmer who wishes to feed his grain to his own livestock, and I commend him on that statement.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. ABERNETHY. I did not pick out the small-sized farmer, I just said "farmer."

Mr. FINDLEY. Put it either way. In good conscience can we support a bill which grants freedom to one group of grain farmers and denies freedom to other grain farmers? I think the anomalous situation we have before us illustrates the utter futility of supply management.

The CHAIRMAN. The gentleman from Iowa [Mr. SCHWENGEL] is recognized for 1 minute.

Mr. SCHWENGEL. Mr. Chairman, I have been trying for 2 days to get just a little time and now I have a very little time. I will try to get an opportunity later on to talk in more detail about some of these things that are bothering me in this bill.

I would just ask the gentleman from Mississippi whether this amendment would not also discourage further Billie Sols?

Mr. ABERNETHY. I would hope so. I am not after Billie Sol, I am just trying to take care of the small farmer and the cattle farmer.

Mr. SCHWENGEL. Also, if the gentleman's amendment prevailed it would have the effect of extending rather than curtailing.

Mr. ABERNETHY. Of course it would. It completely eliminates from this bill the very farmer they say they did not intend to include, that is, the livestock farmer.

Mr. SCHWENGEL. But generally speaking when we have extended freedom and production we have extended an opportunity for prosperity.

Mr. ABERNETHY. I cannot imagine its being any way but that.

Mr. SCHWENGEL. I cannot either. I want to commend the gentleman for his amendment and tell him that I shall support it.

The CHAIRMAN. The gentleman from California [Mr. BALDWIN] is recognized.

Mr. BALDWIN. Mr. Chairman, I come from a rather diversified district, but it does grow about $50 million worth of agricultural products. The largest single agricultural product, from a monetary standpoint, is livestock.

The livestock men of my district have opposed Government controls throughout the entire period of time during which there have been price supports on certain other agricultural products. They do not want any controls or price supports on livestock.

In my opinion the bill in its present form would indirectly put controls on livestock by making it impossible for stockmen to grow sufficient feed for their own cattle.

For this reason I support the Abernethy amendment in order to be sure that no controls are applied to livestock no matter what happens to this bill.

I am opposed to H.R. 11222 in its present form.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized.

Mr. POAGE. Mr. Chairman, I think the House must recognize by this time that we have come to the point of making a decision. So far as I know there is not a Member who supports the bill who has spoken in behalf of the Abernethy amendment. This amendment is clearly an effort to defeat the bill, by making it ineffective.

This amendment will, of course, destroy the effectiveness of the bill. I know that many of you have come to me and said: "All right, let's strike it down, go to conference, and undo it." I do not like to do business that way; I do not think it is right to do business that way.

I know many of you are saying: "Let's send anything to conference and bring back what we want." That is not the way to do business. That is not the way I want to do business. I want to do business in an honorable way. I want this House to say manfully that it favors some real effective legislation to stop the buildup of surplus amounts of feed grains, stop the drain on the American taxpayer. This bill as written will do exactly that. With this amendment it will not touch three-fourths of the grain production of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I am opposed to the Abernethy amendment. I speak as a dairy farmer in Minnesota. I am of the opinion that if an amendment of this kind is adopted, you will find unlimited numbers of people moving into the dairy business and the cattle-feeding business. When we consider farm legislation, we cannot do it on the basis of one group exempt and another not, because we are going to have to consider this on the basis of the entire agricultural economy.

After listening to this debate, it seems to me the farmers are about in the same circumstance as the two robins flying south. Daddy Robin came in 3 days late. His feathers were all ruffled, he looked bad. And Mama Robin looked at him, and he said to her: "I know what you are thinking, but it is not so. I was flying low and I got caught in a badminton game."

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, in this limited time I do not think I can, in a minute and a half, add any

contribution that would be worthwhile to this discussion, except to say I think it illustrates very clearly that a matter of this great importance to the farming industry of our country should not be written on the floor of the House, and Members should not be confined to discussions of a minute and a half.

My district is a farming district. We raise livestock, I raise livestock. I have lived there all my life. If I voted to say that a farmer could not raise the feed on his farm to feed his livestock I would have to move, and I do not want to move.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ANDERSEN].

(Mr. ANDERSEN of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. ANDERSEN of Minnesota. Mr. Chairman, if this overall bill is approved by the Congress, it still will be subject to a referendum of the farmers. It must be approved by two-thirds of those voting before it can become effective.

Mr. Chairman, I am opposed to many of the provisions and features of this bill, and I firmly believe that a better bill and one that contains less objectional features could be worked out in the committee. Therefore I shall vote to recommit this bill in order that it can be improved by providing for an extension of the present voluntary feed grain program.

I believe that we must do something to curtail the tremendous surpluses of feed grains and wheat or our entire livestock feeding, poultry, and dairy industries will suffer.

Mr. Chairman, while I am opposed to the bill in its present form, I fear that the defeat of this agricultural bill in the Congress might well spell the end of farm legislation and the opportunity to improve or to write better farm programs for the future.

If this bill is approved by the Congress, it will still be subject to a referendum of the farmers themselves and must be approved by two-thirds of those voting before it will become effective. If the farmers, in the referendum, vote further restrictions upon themselves, then we shall abide by their decision. If the farmers do not support the program by the necessary two-thirds majority in the referendum, I cannot believe that the Congress would ever allow the agricultural economy of this Nation to revert to the programs of Ezra Benson. Instead, the Congress would no doubt enact quickly in the early days of the next session an extension of the present voluntary feed grain program.

Therefore, Mr. Chairman, if the motion to recommit for improvement fails, I shall vote for this farm bill, unless so many amendments proposing exemptions are adopted that the real purpose of the bill is defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ULLMAN].

(Mr. ULLMAN asked and was given permission to revise and extend his remarks.)

Mr. ULLMAN. Mr. Chairman, I hope we will consider very carefully what we are doing when we face up to this amendment. We are actually turning the clock back 50 years. We are ignoring all of the revolution in specialization that has taken place in American agriculture.

What we are doing is saying to the legitimate livestock operation, the legitimate poultry-raising operation, the turkey raiser, and the dairyman who cannot raise their own feed but must buy it on the market.

Those are the kinds of operators I have in my district. I think, generally speaking, they are the operators that are the backbone of the industry. We are saying to them, You are going to be out of business within 2 years, because this industry is going to shift away from you. It is going to shift the farms—and the gigantic new farm combinations that will come into being—farms that raise their own feed. It will shift there, because they can raise unlimited feed under the terms of this amendment to feed the livestock, the chickens, the turkeys, and the dairy cows.

I implore you to consider what you are doing. Do not destroy the livestock industry, do not destroy the poultry industry, the dairy industry, or the turkey industry, because that is certainly what you will be doing if you vote for this amendment.

The CHAIRMAN. The chair recognizes the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, it is almost unbelievable that in this great democracy, in this great country of ours we are contemplating an amendment that would prevent a farmer from raising his own feed grains for his cattle and poultry. I say if the Abernethy amendment is not adopted, the cattle farmer, the dairyman, the poultry farmer will feel like the man who "feasted on the delights of sweet anticipation, but is now gnawing on the cold corncob of stern reality." This is ridiculous. I am opposed to this bill and its controls. What do the controls do? Right near my home in New York State a man by the name of Jesse R. Stalker of Ravena, N.Y., was fined $20,899.90 because he purchased some extra cream for his customers in a single 20-quart can. Had he made the purchase in ten 2-quart cans he would have been exempt from the regulation. If this fine is upheld, Jesse R. Stalker and four of his sons who have been brought up and worked on their farm all their lives will be put out of business.

Mr. Chairman, I am only interested in one thing. What is this proposed bill going to do for the little housewife who goes to the corner butcher shop to buy her pork chops, her hamburgers, or a small steak for her family? It is going to increase the price of her food for her family, it is going to increase the price of the bread she buys. It certainly is. What you are doing is passing a sales tax on food that the little wife buys for her family. I think it is high time that we repeal all farm legislation and return to a free competitive system.

Today, I find myself in a position which is not novel, not different, and not changed from the quandary in which I have found myself when considering farm measures each year since I came to the House.

After 4 years, I am still eagerly awaiting the opportunity to vote for a farm bill which will create an atmosphere favorable to the farmers in my district—the very specimen of farmer which this Congress, the past administration, and the present administration want so much to assist. He is called, in the political verbiage of the day, the family farmer. He and his family live on their own farm, and his sole occupation generally is the production of the commodity for which his land is best suited, whether it be grain, tobacco, potatoes, or dairy products. He does not have a gigantic farm, nor is he involved in a large number of subsidiary enterprises. His income is certainly not large by middle western standards, but he loves his occupation, devotes all of his long waking hours to it and is a resourceful businessman so long as it is possible for him to use his initiative instead of being set within legal bounds in which it is impossible to wield a free rein. He is not yet the so-called median farmer who perhaps should not be in the business at all for obvious economic reasons. This, I think, is the definition of the family farmer in the First Congressional District of Massachusetts.

He is definitely in the majority in New England, and he is the farmer who I should like to assist and preserve. But I do not feel that the legislation before this House today is of benefit to the family farmer. On the contrary, this legislation puts him into an even tighter straitjacket. It regulates and regiments him as no farm legislation has ever done before. It takes money from his pocket in the form of Federal income taxes to pay for this program through which the big agricultural businessman may benefit. It takes money from his pocket in the form of higher feed costs for his livestock. In other words, he is hit both coming and going. Now if this farm bill was brought before the House as a measure to help only a certain group of farmers, the specialists and the great landowners, then it might be a different matter. But this farm program is advertised as a step in remedying the situation in which all farmers find themselves. It is also billed as a step toward decreasing the role of the Federal Government in farm economics. Very simply, I just do not buy H.R. 11222 on the face value of these claims. The proposals to increase control only get the Federal Government in deeper, and the result will surely be a continuance of the situation we experienced last year and which has basically been with us ever since World War II. Agricultural production will become more centralized and the farm community will dwindle in numbers as a direct result. And so, Mr. Speaker, I cannot vote for this legislation. I have not voted for similar programs in the past, even when a member of my own party was in the White House.

When the efforts of the enormous number of agricultural economists, the legislation drafters employed by the Federal Government, begin to be directed by the philosophy of a free agricultural community, then I can stand in the well of the House and support legislation which is developed toward that end. Certainly, in one fell swoop we are not going to change the errors of a generation, but when the first step is taken, I shall run to pull the bandwagon, not just to jump on it.

In expressing my opposition to this bill, I am not solely motivated by the deep concern I have for the farmers in my district. The entire Nation has a great stake in every action that we take to regulate agriculture. Unfortunately the consumers of this country do not have a lobby through which we can determine their feelings. Nevertheless, if it were possible for them to express their opinion dramatically, I think they would come on to the floor of this House and tear up this bill and send us all back to formulate a program which would allow prices to be determined by the workings of a free economy. I think every housewife would tell us that her husband's income is not subsidized by the Federal Government, nor is he limited by regulations on what and how much he can produce, and how much time he shall waste in producing nothing. If the needs of the American consumer are to be in any way correlated with this program, the only way that I can see to do it is to give the consumer a bigger hole in his doughnut.

In conclusion, it is my sincere conviction that those who are affected most by this legislation want it least. If the buck can be passed to the farmers for first inspiring the Federal Government to get into the economics of agriculture, then I think it is a fair evaluation of the situation to say that the farmer has had enough. Unfortunately, it is not up to him to change the course; it is up to us. Let us begin by rejecting H.R. 11222 and its philosophy of more control, more regulation, more regimentation.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I think there is one thing in particular that needs clearing up, and that is this: We are not saying in the defeat of this amendment that the grain which is grown on the farm cannot be fed to the livestock on that farm. We are merely saying that you cannot raise an unlimited amount of grain and feed it to unlimited livestock on any farm. Now, that is exactly what it amounts to. The passage of this amendment absolutely freezes and puts out of business those small farmers who are now in business, who may wish to stay in business, and it puts into business all of the integrated operations that we can possibly think of. Every large single-crop farmer will fence off about 10 acres over in the corner of his section and he will feed and feed and feed, and it will have a disastrous effect on the livestock industry in about 2 years. And, the only people in the dairy industry that can possibly survive are those who are under the Federal marketing orders.

Mr. Chairman, I ask for the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I rise to claim my part, even though it is only a minute and a half, in this discussion. I am concerned over the family-size farm. I am particularly concerned with the dairy industry in the State of West Virginia and in my district. I think this would hold them to their acreage allotment for the 1959 to 1960 period and would tend to do something that those members on the committee who drafted this legislation had no conception of. It would cause the greatest rush to put acres which they cannot utilize for this kind of crop into farmland. Nobody ever gave any thought to what it will cost the Government for additional acreage that is going into the soil bank which will be reactivated. This is going to prevent any progress at all in the livestock and the dairy industry if those rigid controls are confined to the 1959 to 1960 period.

I understand the gentleman from Virginia [Mr. JENNINGS] will have an amendment to offer. I am going to withhold any further comment on my decision until I see what kind of an amendment the gentleman from Virginia offers to this section.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I shall be very brief. I think the House understands the situation and the importance of the proposition now under consideration. I do want to emphasize, however, just as the gentleman from Texas [Mr. POAGE] did, that those who have spoken in behalf of the Abernethy amendment have been opposed to the bill all along. I hope that this House will stand by the Committee on Agriculture and defeat this amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. DENT] to the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The substitute amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The amendment was rejected.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin: Page 82, line 2, immediately before the period insert the following: ", and during the six-month period thereafter".

Page 82, line 6, after "1963", insert the following: "and during the six-month period thereafter,".

Page 82, line 10, after "1963", insert the following: "and for the six-month period thereafter,".

Page 82, line 17, after "1963", insert the following: "and of the six-month period thereafter,".

Mr. JOHNSON of Wisconsin. Mr. Chairman, when the Dairy Subcommittee considered this particular section of the voluntary dairy program, it was the idea of the subcommittee that it would run for a full year. That was in March of this year. It is now June, and it will be October 1 before the Department can put it into action.

Mr. Chairman, all this amendment proposes to do is to have the dairy program run from October 1 of this year to October of 1963.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield——

Mr. JOHNSON of Wisconsin. I yield to the chairman of the Committee on Agriculture.

Mr. COOLEY. Mr. Chairman, I personally have no objection to the amendment, which I have discussed with several members of the committee, but I am not authorized by the committee to accept the amendment.

Mr. HEMPHILL. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL as a substitute for the amendment offered by Mr. JOHNSON of Wisconsin: On page 81, strike out line 22 through line 25; and strike out all of pages 82, 83, 84, 85, 86, 87, and lines 1, 2, and 3, on page 88.

This strikes out all of subtitle C.

(Mr. HEMPHILL asked and was given permission to revise and extend his remarks.)

Mr. HEMPHILL. Mr. Chairman, the purpose of my amendment is to knock out a provision that is not in the Senate bill and has no business in this legislation. It puts the U.S. Government into the dairy business in the most ridiculous way you can possibly imagine. We all know that at the present time they are getting a 75-percent support price on milk. I believe a year ago the milk support price was raised, in January, to such an extent that we have been flooded with milk and cheese and buttter, which are in the warehouses of this country today. The American taxpayer is paying for it, because the support price was raised and because there was a surplus at that time and there has been a surplus since.

Now we have the proposition that in addition to the raised support price we are going to go down and say to the farmer, "For a certain part of your production we are going to pay you $2.50 a hundredweight and then what we are going to do is to continue the support price on the other. You can go out of production to that extent and sell your cows down the street to the other fellow, who goes into production and will get this support price."

We will have more butter, we will have more cheese, we will have more cream. We will pay more for storage and the little farmer whom they claim they are trying to help is the one who will gradually be put out of the dairy business. This has no business in this legislation,

this dairy provision. It was not in the Senate bill. This was not the proposal of the administration. It is being put in here, I submit, merely to try to give a sop to the dairy farmer when, as a matter of fact, it is a ridiculous proposition.

Mr. Chairman, what do you say here? What you say is that we are going to pay you to go out of production. Who is going to keep the books and how much is it going to cost? Not only who is going to keep the books and how much is it going to cost, but how much is this going to encourage actual cheating? Talk about scandal; you will really have it here.

Who is going to keep track of a man? He is going to produce more milk if he wants to. He can give it to the church, to get credit, or he can give it to somebody else down the road to sell at a cheap price, or he can black-market it. It is impossible of administration. The theory is ridiculous. You do not know how much it is going to cost.

I believe my amendment is a good amendment.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman.

Mr. ABBITT. Mr. Chairman, I thank the gentleman for offering his amendment. We have had so much discussion here yesterday and today about controls and how foolish it is to have a voluntary program. This program simply says to farmer X, "You can cut your production 10 to 20 percent and we will pay you." It says to farmer B, "You can increase your production 10 to 20 times and you will still get a support price." What will happen? The dairy program is going to cost approximately half a billion dollars plus about $250 million for the lunch program. This will add about another half a billion dollars.

I believe this should be deleted from the bill.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman.

Mr. WHITENER. I believe this section is not in the bill as it passed the other body; is that correct?

Mr. HEMPHILL. That is correct. It has no place in this bill. I am not a member of the committee, but I understand it was put in at the last minute. I do not want to go behind the executive curtain of the committee. But it was just put in and it is ridiculous. Can anybody in this House tell me of any testimony in support of this proposition? There is no such testimony in the record. Is there anybody in the House who can tell me what it is going to cost? Can anybody tell me whether there has been one estimate as to how much it is going to cost the taxpayers? If somebody can tell me that, I would like to have it. This is just a "Blind Tom" proposition. We are going to reach into the taxpayers' pocket for something. The taxpayers do not want it and the milk people do not want it.

I know we need a farm bill. I want to control the large surpluses in feed grain that are costing so much in support and storage. We have a deficit feed grain area where I live. The 40-acre provision and other provisions adopted today will help us. The silage amendment, for which I intend to vote, will help. We must take a choice on feed grains; either support and controls, or no support and no controls. That is a choice the farmer is entitled to, the American taxpaying public must insist upon.

Here we deal with dairy production. I wish we could get the Federal Government out of the dairy aspect of agriculture altogether. I suspect that the reduction of support prices would be the best way to cure the surplus problem, and relieve the taxpayers from the high cost of supports, storage, and the incidental waste now present in this program. I know of no dairy farmer in my section of the country who benefits materially from the present program, or who will benefit from the ridiculous program proposed in this bill.

Now, I believe in support for cotton, tobacco, and the like, where we have controls. But if we are going to have supports we must have controls, as little as I like controls. I want to keep the little dairy farmer in the deficit area bill. My amendment will do that. I urge its adoption.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I rise in opposition to the substitute.

I am afraid that my good friend from South Carolina [Mr. HEMPHILL] is not as much interested in the dairy farmer as he is in some of the big processors. I realize that the big processors are against this program because under the program they are not going to have as much milk to process and to sell to the Federal Government. Under this program the Government is going to save $1.74 on every 100 pounds of milk that is taken out of production. If you want to save some money vote against the substitute and vote for my amendment.

Mr. Chairman, I have here a list of a few of the Commodity Credit Corp. purchases of dairy products to support prices of milk and butter fat, in the calendar year 1961.

Mr. Chairman, I ask unanimous consent to include that list at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table follows:

[In pounds]

Company	Butter		Cheese		Milk—Extra grade	
	U.S. grade A or higher	U.S. grade B	U.S. grade A or higher	Process	Spray	Roller
Armour & Co., Chicago, Ill	13,393,812	37,933	1,201,353	672,000	7,259,107	
Beatrice Foods Co., Chicago, Ill	21,184,070	129,152			8,414,515	
Berkshire Foods, Inc., Chicago, Ill	55,075,063	1,735,831				
Borden Co., New York, N.Y			4,247,136	14,616,000		
Kraft Foods, Inc., Chicago, Ill			28,266,909	17,438,400		
L. D. Schreiber & Co., Inc., Chicago, Ill	10,592,636	1,511,669	1,598,246	4,359,600		
Sugar Creek Creamery, Omaha, Nebr	6,241,720	2,461,033	34,286			
Swift & Co., Chicago, Ill	5,543,928	335,232	8,545,120		107,400	
Weinberg Bros. & Co., Inc., Chicago, Ill	14,761,430	420,268				
Total	126,792,655	6,631,118	43,893,050	37,086,000	15,781,022	

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Virginia.

Mr. ABBITT. I take it that the voluntary program for the dairy industry has worked?

Mr. JOHNSON of Wisconsin. As the gentleman from Virginia well knows, feed grains had 2 years of a voluntary program before we put them under a compulsory program. We are giving the dairy industry a chance to try to see if they can get their production down under the voluntary program. They are only 9 percent over. The ASC people in Wisconsin have told me if they had this program they could go out and sell the farmers on it. The men who are opposed to it are the men who are processing butter and cheese and selling it to the Government. If you want more butter and cheese in Government warehouses, vote against my amendment. If you want to cut down on the amount in Government warehouses, vote against the substitute and for my amendment.

Mr. ABBITT. If we adopt this voluntary program, we will still have the same section of the law under which profits are made by the processors? As a matter of fact, does not this really go to the processors?

Mr. JOHNSON of Wisconsin. If the gentleman from Virginia had listened to my speech made on the first day the bill was up, he would have heard that the dairy farmers in western Wisconsin were making about 40 cents an hour at 75 percent of parity. I do not think my own farmers are going to want to increase their herds much more to work for 40 cents an hour.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I rise in support of the gentleman's amendment.

Mr. Chairman, I rise in support of H.R. 11222 and particularly in support of the dairy section of the bill, and the Johnson amendment before us. Other speakers have addressed the House today with great knowledge and precision on the overall bill and I would like to take only a short time to express my interest and concern that the dairy provision of this bill be passed.

Anyone who has studied the record of dairy this year is well aware of the serious crisis facing America's dairy

farmers. With a production increase 2 billion pounds and a fallout of consumption the individual farmer is in serious trouble. Moreover an interpretation of the law by Secretary of Agriculture Freeman has compounded to some extent the problem the farmer faces. To illustrate how difficult the situation is, I think the House may be interest in the findings of a poll I took in February. I asked: If faced with this alternative; would you rather have milk supported at 75 percent of parity or would you rather participate in a supply management program involving production quotas? Of those polls, 50.7 favored lower support while 49.3 favored production quotas. I believe this almost perfect split of views reflects the confusion of farmers in the difficult situation they are facing.

This is not only a problem for the individual dairy farmer, however, it is a national problem. The dairy industry is the backbone industry of Wisconsin. In many senses as the dairy farmer goes so goes the economy of Wisconsin and a number of States throughout the Nation are similarly dependent upon this section. Moreover, dairy production has been and continues to be one of our greatest assets—it is used in food for peace, domestic and foreign school lunch programs, and for welfare purposes both at home and abroad—it is unsurpassed in importance.

I would like to review briefly the history of this year's proposals on dairy. It is clear to anyone who studies this history that the diary farmer has been treated poorly from beginning to end and that the proposal we are considering today is only the last of a series of retreats made in the face of strong opposition by men either too concerned with so-called economy or unaware of the damage they are doing to this vital industry.

To begin with the administration announced that it believed that the law required that price supports be reduced to 75 percent of parity this year. This interpretation was made in all fairness and with great integrity. I do not doubt the sincerity of the interpretation. Saying this, however, does not mean that this decision was not controversial. For I believe that the law did not require such action, that in fact price supports could, within a fair interpretation of existing statute have been continued until April 1, 1963, at least.

I recognize that the law states that the Secretary of Agriculture is to maintain price supports above 75 percent of parity only if such a level is necessary to assure an adequate supply. I do not believe the evidence now available is sufficiently clear to indicate that the dairy industry is in a situation of longrun oversupply which would necessitate a reduction in supports. Furthermore, the Agriculture Act of 1954 assures stabilization of dairy economy at a level which would provide a fair return to dairy farmers for their labor and investments when compared with the case of things that they buy.

Since it is apparent that there can be more than one interpretation of the law I wrote to Secretary of Agriculture Orville Freeman on March 17, 1962, suggesting that the administration resolve the matter on the safe side and in favor of the dairy farmer. The final determination of the requirements of the law could then have been left to the courts.

Unfortunately, my suggestion was not accepted Moreover, the administration proposal to support prices at the present levels until the end of the year failed of support by both committees of the House and Senate. In the House every Republican on the House Agriculture Committee, plus six others voted against the dairy farmer. My own proposal to extend supports for a full year until April 1963 also was not accepted. Dairy prices fell by over 9 percent when on April 1, 1962, price supports fell to 75 percent of parity.

Within this discouraging setting of falling of prices the dairy farmer has had to accept one defeat after another on administration proposals. Initially, the program presented by the Secretary of Agriculture for supply and management, though involving controls, would have done much to maintain dairy income. As you know this proposal failed of support in both Senate and House Agriculture Committees.

After this, proposals which were a retreat from the initial position were presented to the committees. Moving down one notch the substitute proposal involving less control and to extend for only 1 year would have limited quotas to 1961 production. This proposal was also rejected by the committees. In the Senate a bill was reported on April 27, 1962, with absolutely no provisions for the dairy farmer. Moreover the Proxmire-Humphrey proposal—another temporary proposal for 2 years—was also rejected. Finally, in the Senate, Senator McCarthy as a last ditch effort, proposed a dairy amendment which embodied the language of the section we are considering today. This, too, was defeated in the Senate.

Now the House is considering a minimal temporary proposal. The proposal is by no means ideal but it is a first step to attempting to help the farmer and this vital industry. As you know the bill involves no referendum and no compulsion. According to estimates of the Department of Agriculture it would cost no more than the present dairy program under which the Government is required to support dairy products at $3.11 per hundredweight with unlimited production.

Moreover, depending upon the number who volunteered to participate in this program it is possible that between $150 and $200 million of taxpayers funds which under the existing system go into storage go to the farmer directly, without any additional cost to the Government.

I will not go further into this legislation which has already been admirably covered by my colleague from Wisconsin, the chairman of the Dairy Subcommittee, Lester Johnson. His hard work in behalf of this bill deserves the praise of all Members of the House and also, especially of those who have a special interest in dairy.

Let me make only this general statement. If we are to be faithful to the basic principle that men working in the United States should be given an adequate payment for their work, we must do something to improve the situation in dairy. I need not quote statistics which demonstrate conclusively that in many parts of Wisconsin farmhands and farmers are earning less than 50 cents an hour. Leaving aside fair return on their capital investment, these people, mothers, fathers, children and relatives have been working to maintain the family farm—and they have not been getting a fair deal, nor have they been adequately paid. I would urge on the basis of fairness, American tradition and the contribution this industry makes to the American economy that this minimal first step proposal be adopted.

In speaking today I have continually used the phrase "first step." I say this only because I believe that in many senses we have taken a very shortsighted view of agricultural problems in general and dairy in particular. Anyone who is familiar with the incompetence of the Communists in the agricultural field, upon reflection is amazed at the way we treat our own agricultural problems. In Russia, China, and many of the rest of the Soviet bloc the unending problem is the failure of agriculture to respond to totalitarian methods. There are no surpluses in the Communist world. Rather the problem is hunger, starvation, and refugees who are looking for food.

Contrast the great success of American agriculture. Our problem is surpluses. It seems to me that humanitarianism would have us use our great surpluses in a constructive way to meet the demand of hungry people around the world. Already food for peace is doing much in this regard but it is not enough. It seems to me that wise approaches to the cold war would suggest that we should use our abundance to demonstrate the great success of the American economy. Most underdeveloped countries are more concerned with increasing agricultural production than with any other side of the economy. I would suggest that we hold high the banner of American agriculture by contrasting our surpluses with the Soviet's.

It seems to me that the wise way—and the economical way—to wage the battle of peace would be to make use of our existing capacity. One aspect of this capacity is the fertile land available for production in America. Another is the know-how in agriculture which we have accumulated over the years. A third is the ability, creativity, and hard work of American farmers.

I, for one, would urge a massive expansion of the food-for-peace program utilizing the benefits and powers of American agriculture. Rather than spend money on more guns in the foreign-aid program I would suggest that it would be cheap, efficient, and effective to expand the production of agriculture in many areas. The most obvious of these areas would be the dairy industry. And as many know, I have suggested a seven-point expansion for the food-for-peace

program in order to make a more creative use of our abundance.

I will not dwell today on the need for a wiser use of dairy and other products in the foreign-policy field. Let me conclude only with the thought with which I began. Today's bill and the dairy provisions especially are only a first step. If we are to take further steps and we are to be reasonable and fair in our treatment of the dairy farmer, we cannot pass legislation which ignores the dairy industry.

(Mr. KASTENMEIER asked and was given permission to revise and extend his remarks.)

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I have not heard from the processors opposing this section in Wisconsin. Apparently the gentleman from Wisconsin [Mr. JOHNSON] has heard from the processors. I have not. As a matter of fact, I have not heard from anyone in Wisconsin either for or against this particular dairy section. As to the voluntary dairy program that is proposed here, there is serious question in my mind as to whether this will or can get the compliance necessary to reduce milk production, but I do not believe it will hurt the present program. I had hoped the committee would set a minimum price support for milk for this marketing year of at least $3.25 for 3.82 milk.

Mr. JOHNSON of Wisconsin. May I tell the gentleman that in the committee we were unable to get a majority of the subcommittee to favor the dairy program submitted by the Department of Agriculture. The committee, realizing the great surplus, thought we had better have some kind of program. That is the reason we came out with this program.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The question was taken; and on a division (demanded by Mr. ABBITT), there were—ayes 86, noes 108.

So the substitute amendment was rejected.

Mr. HEMPHILL. Mr. Chairman, I ask for tellers.

Tellers were refused.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

The amendment was agreed to.

(Mr. ANFUSO (at the request of Mr. COOLEY) was granted permission to extend his remarks at this point in the RECORD.)

Mr. ANFUSO. Mr. Chairman, as a representative from a big-city district where the bread-and-butter problem is a daily struggle, I am very much perturbed over the regional and sectional approach to the farm bill. I served as a member of the House Agriculture Committee for 4 years, from 1955 to 1958 inclusive, and was chairman of a subcommittee on consumer problems. It was my attitude then, and it is my attitude today, that we must approach the farm situation from the viewpoint of the entire Nation and for the good of the whole country. In other words, we must discuss it and vote upon it as Americans, and not from a narrow sectional viewpoint or the limited interests of a particular group.

In determining food and agriculture policies for our Nation, the Congress has an obligation to two vital segments of our society: To those who produce food, and to those who buy it in retail markets, namely, the consumers. The two segments are not of equal size. There are more food buyers than growers—far more. Our farms are manned by only 8 percent of our population.

Under our form of government, 92 percent of the people may impose their will upon 8 percent, if they so desire. Yet, if that will is one which diminishes the 8 percent economically, socially, and politically, the 92 percent suffer unfavorable repercussions. On the other hand, a disregard for the general welfare by the minority also affects the whole of the society.

I believe it to be the task of the Congress to help producers and consumers reconcile their interests and their needs, to help them find the common ground on which each group may make its maximum contribution, for the welfare of all. We are debating the idea of equally distributing among producers of food commodities now in oversupply the responsibility for supply management.

From the consumer's point of view logical questions concerning this supply management procedure can be raised, such as:

First. Will such a program result in scarcity?

Second. Will such a program result in higher prices for meat, dairy products, bread, and other foods, thereby drastically limiting the diets of millions of our people or force them to spend disproportionate shares of their income for food?

The questions about possible scaricty and prices must be asked and answered, if we are to attain a satisfactory solution. President Kennedy, in requesting farm and food policy action by this Congress, emphasized two goals:

First, making maximum use of our productive abundance to advance the cause of peace and freedom throughout the world; to assure Americans of a high standard of living; and to provide an important weapon against poverty and disease.

Second, finding a balance between production and demand that will avoid waste of private effort and public resources.

The scarcity idea was vigorously opposed by the President. Neither does scarcity figure in the administration's proposals for realization of objectives cited by the President. Nor does it crop up anywhere in relationship to commodities which have long been under supply-management programs similar to those recommended for feed grains and wheat.

It may be asked: Is there a shortage of cotton? Are retail prices for cotton products exorbitant? Is there a shortage of tobacco? When the taxes of various levels of Government are deducted from tobacco products, are their retail prices unreasonable? Are there shortages of rice? Of peanuts? Is there consumer resentment to these commodities that is based on the retail prices?

The consistent answer is "No." We have no scarcity of cotton, or tobacco, or rice, or peanuts. We have no inflated price schedule for them in our stores. The truth of the matter is that we have effectively learned how to operate supply management programs in which every producer shares responsibility for adoption and maintenance. Our difficulties have come with those in which there is not equitable distribution of responsibility. In and out, up and down participation in voluntary supply management efforts tend to spread, rather than limit, the supply price gamble for both consumers and producers. Neither can afford instability.

Consumers have a stake in four facets of agriculture:

First. They have an interest, for health and household budget reasons, in a productive farm economy that adequately meets current food needs and makes provision for reserves that will carry us through natural and manmade emergencies.

Second. They have an interest, for humanitarian and personal income reasons, in an agricultural economy that provides a fair return on labor and investment for farm families, because such families and others associated with the food industry are good customers for the goods and services provided by city people—if they have the money with which to buy them.

Third. They have an interest, for cultural, spiritual and political reasons, in maintenance of the free and independent family farm system, because it not only provides the most and best foods, but grade A citizens as well.

Fourth. Consumers have an interest in avoiding waste of public resources by a sound Federal fiscal policy in relationship to agriculture.

I am convinced that these consumer interests are protected in the bill under consideration, H.R. 11222.

The procedures for establishing annual production goals for feed grains and wheat not only provide for abundant annual crops, but make it possible for both farmers and Government to maintain reserves.

Fair farm income is vital in relationship to total economic growth, and to the stability of employment in factories and retail outlets. By the very nature of their business, farmers have to be big spenders. The investment in agriculture in 1961 was over $200 billion—a figure representing about three-fourths of the value of the current assets of all the corporations in the country and three-fifths of the market value of all corporation stocks on the New York exchange.

The farmer last year spent $27 billion just running his business. He spends around $2.5 billion a year for trucks, tractors, and other farm equipment. He puts another $3.4 billion a year into fuel, lubricants, and equipment maintenance. No single industry consumes as much petroleum as farming. Last year the farmer used 28 billion kilowatts of

electricity, and spent another $12.7 billion for household repairs, furniture, TV and radio sets, refrigerators, stoves, clothing, personal needs, and food. The farmer provides jobs for others. Ten million people are engaged in storing, transporting, processing, and merchandising agricultural products. Six million people work at providing the supplies farmers use.

It is important to the rest of us that the 8 percent of our farm population not only be kept in business, but that it be on fair terms in relationship to the rest of the Nation. Leaving out all other aspects. This is a just and fair request.

The family farm, when it is operated in an atmosphere of fair income opportunity, enriches all aspects of American life. It not only produces food, it also turns out citizens with an appreciation for both the responsibilities and privileges of citizenship.

The farms of our Nation produce young men and women who achieve recognition as leaders in business, industry and Government and as scientists, writers, teachers, artists and highly skilled mechanics.

Those who would compare efforts toward farmer-Government cooperation in our own country with the efforts of countries under Communist domination overlook one significant factor. We are concerned with distributing the benefits of abundance. They are concerned with distributing both the burdens and the blame of scarcity.

American consumers eat more of a greater variety of quality foods at less cost in hours of work than any other food buyers in the world. They have, in substantial degree, been subsidized by our farmers in terms of family meals, school lunches and in meeting their obligations to provide food for fellow citizens on public welfare rolls.

On the other hand, farmers can be grateful for the contributions made to their welfare by their fellow citizens. The technological advancements in agriculture have not all originated on the farm. And while the American farmer is not sharing in economic rewards to the extent that he would like, his lot is better than that of farmers anywhere else in the world—and he did not achieve it entirely alone.

As we seek to reconcile, in the best possible terms, the interests of our food growers and food buyers, we must appreciate the fact that both groups pay taxes and have a stake in sound fiscal policy. Production policies that pay no heed to avoiding waste of private efforts and public resources do not constitute sound national policy. Millions of dollars spent to store commodities that are neither needed nor wanted represented waste—waste of money, waste of labor, waste of seed and machines, waste of food and fiber. Proper supply management procedures will eliminate waste without creating scarcity.

Mr. Chairman, this bill offers a realistic approach to the supply problems with which we are faced in feed grains and wheat. It is based upon experience with such other agricultural commodities as cotton, rice and tobacco. It ties reasonable supply and price levels together, thus providing a sound basis for living with abundance. It serves both producer and consumer, and effectively attacks waste of farm and treasury resources. I urge you to consider it in positive terms, and to approve it.

Mr. JENNINGS. Mr. Chairman, I have three amendments at the Clerk's desk which I ask unanimous consent to be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. TAYLOR. Mr. Chairman, I have a substitute amendment which I wish to offer to one of the gentleman's amendments, and therefore I must object.

The CHAIRMAN. Objection is heard.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 27, line 16, and on page 28, line 14, strike out "twenty-five" and substitute "forty."

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman and members of the committee, this is a family farm amendment. In the present bill anyone who has up to a 25-acre feed grain base may, at his own option, determine whether or not he will go into the feed grain program. If he desires not to go into the feed grain program, he may raise all of his base acreage and he will not be permitted to vote in the referendum and he will not be given support prices. This amendment merely changes that 25-acre provision to 40 acres. What will happen under this amendment is that about two-thirds of the farmers in about 20 of the States will have the option of determining whether or not they will go into the feed grain program.

If they participate in the program, they will get the benefits of price supports, they will have the opportunity to vote in the referendum. If they decide to stay out, they will not be affected in any way.

Even though two-thirds of the farmers will have that decision, let me say that those two-thirds of the farmers raise about 10 percent of all the feed grains produced. So I think this is a good amendment; it gives freedom of choice. There is no way it can hurt the bill. It can help as far as individual districts are concerned, and I respectfully request that this amendment be adopted.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. BELCHER. I will ask the distinguished gentleman if this 40-acre exemption is similar in effect to the 15-acre wheat exemption that we have had in the law.

Mr. JENNINGS. No, I will say to the gentleman that it is not, because under the 15-acre wheat exemption anyone, regardless of whether he has ever raised wheat or not, may raise up to 15 acres without any penalty provision or without participation. This amendment pertains only to those people who have a feed grain base up to 40 acres. They may raise up to 40 acres without participation in the program. It does not say that anyone may raise 40 acres of grain regardless of whether they have a feed grain base or not.

Mr. BELCHER. It applies to the man who raised 40 acres of feed grain in 1959–60?

Mr. JENNINGS. Not only the man who raised 40 acres, but whatever his acreage was in the base period up to 40. If his average was 10, then he can grow 10 acres. If it was 20 or 30, then it would be 20 or 30.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. BREEDING. In regard to this 40-acre operator, if he elects to not take advantage of the program and not to be in the control program but does grow this grain, is he allowed to sell in the open market? And does he get support prices?

Mr. JENNINGS. He is not allowed support prices on his production, nor is he allowed to vote in the referendum which would determine whether the other farmers are going to come in under the program. He is allowed to sell in the open market and receive the market price.

Mr. BREEDING. But he cannot sell in the open market and get price supports?

Mr. JENNINGS. No; he cannot get price supports.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. CHELF. I am strongly for the gentleman's amendment and shall support it, because if it is adopted it will take care of 90 percent of my farmers. I want to thank the gentleman for offering it. This is a wise move.

Mr. JENNINGS. I thank the gentleman for his support.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HARVEY of Indiana. Would not this disfranchise two-thirds of the farmers in the referendum?

Mr. JENNINGS. No, as I explained, it does not disfranchise anyone; it merely says that if he does not want to participate he does not have to, but if they desire to participate then they may vote and may receive support prices. It does not disfranchise anyone; it merely gives them an opportunity. It is a good amendment, and I ask for its adoption.

Mr. HALLECK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, yesterday we learned that a number of amendments would be approved by the Committee, and I think it was pretty well indicated that many of them would come under the heading of "vote bait."

Yesterday I also made some reference to a letter addressed to certain of my Republican colleagues by the Secretary of Agriculture in which he undertook to castigate the Republican leadership for opposition just for opposition's sake. Then he referred to the fact that many Members to whom he addressed the let-

ter on our side would be under great pressure.

I said yesterday that we were not guilty of opposition for opposition's sake. I also said that we were not twisting anybody's arm.

Today there has been released to the press, and it is being published in the public press, hence is a matter of public record, a news release from a Democratic Member of this body, not a Republican Member.

I want you to know what is in that release. I may say I spoke to the majority leader about this earlier in the day and indicated to him that in my opinion it ought to be called to the attention of the membership.

This release is as follows:

During the past year and a half I have frequently stated that one of the most enjoyable aspects of this job has been the lack of political pressure from the administration seeking votes in one direction or another. Things have changed. Perhaps they have become somewhat touchy on the question of why Congress hasn't passed more of the President's program—perhaps it is only because the bill to increase the debt limit ceiling and the farm bill both came up at the same time, but this week my arm aches from the twisting it has taken lately.

The line between legitimate persuasion and illegitimate pressure is a very fine line indeed. No one can deny the right of anyone, whether he be the President of the United States or the lowliest inhabitant of our Nation, to ask a Representative to vote for or against a certain matter. That's what he's there for—to represent the wishes of his people. He knows, too, that on each controversial measure he will have to make a decision which will please some and offend others, and the threat is always implicit that those whom he offends will never help him get reelected. This is wholly legitimate and proper.

On the other hand, there is something at least shadowy when defense contractors are advised to call their Congressmen and remind them that if they don't vote for an increase in the debt ceiling defense contracts may be cut back with resulting unemployment in their districts. In tribute to our own defense contractors, I hasten to say I received no such phone calls, but many other Congressmen did.

I did receive both phone calls and a visit from a friendly representative of the Post Office Department. He didn't want to talk about the eight new applications for post offices which are pending in the district; he wanted to talk about the farm bill. Now isn't it odd that the man who came to talk about the farm bill came from the Post Office Department and not the Department of Agriculture? Do you suppose it has anything to do with those pending post offices? The arm aches this week, but the voice is still loud and clear.

That is under today's date line.

So I ask now, Who is putting on the pressure? Why all this big drive to get the bill passed?

I said earlier I propose to vote against it, and if anything I have more reason for voting against it now, after listening to the debate than when it started, because I think it is a thoroughly bad bill. It offers the farmer a choice between regimentation and ruin.

As I said yesterday, if I wanted to look only at politics, I would not be actively trying to defeat this bill, because if you on the Democratic side pass it and it goes into effect you will rue the day you ever did so.

Mr. PIKE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have never been known as much of a gut fighter; I have always been kind of a peaceful man. This does not mean that I do not have any guts. I did not intend to take the well to speak on this bill whatsoever, but I will acknowledge the authorship of that column which was just read. And, I will say further that there came a time in the lobbying for this bill when I did declare a personal declaration of independence. I thought it was wrong that the Post Office Department should be lobbying as far as the farm bill is concerned and I still think it is wrong, but I also state that I do not think the gentlemen on the other side of the aisle are any strangers to the gentle art of persuasion. I think that when the chips are counted here there may well be more votes against this bill on this side of the aisle than there are for it on that side of the aisle. And, I do not know whether this indicates that there is more independent thinking over here or more pressure over there. But, I do say this, I do not like this bill. It has been no secret that I do not like this bill and I intend to vote against it. But, it is a subject on which I believe reasonable men may differ. I think that time may prove me to be wrong. I hope so. I think time may well prove that the rest of us who approve this bill are wrong. But, I expect that this bill will pass and I do believe this: I believe that if the Members on that side of the aisle felt as free to vote for it as I feel to vote against it, this bill would pass by a mile.

Mr. ROUSH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to share the distinction with my colleague of being one of those Democrats who is going to vote against this bill. I also come from the State of Indiana, the home State of the minority leader.

I am going to vote against this bill because of deep convictions which I have. Now, I would like to be very frank with the membership of this House and say that I have consulted with and have been counseled and advised by the members of the administration concerning this bill, but I will say this, they have been very, very considerate of my position and that no one has twisted my arm. No one has exerted what I would call undue pressure.

Now, I want to say this, too, that those of you who think that the Kennedy administration has a no-win policy, are wrong, because they are out to win and they determined to win many of these battles we are fighting; I, for one, admire them for this determination. But despite this determination there has been no undue pressure exerted against me, and I know of no undue pressure exerted against Members on this side of the aisle who will vote "no" on this or any other bill. I have the utmost admiration for an administration which will fight for the things in which it believes. I hope that they continue to fight, and I hope that we do something about this do-nothing attitude, this pessimistic attitude, this negative attitude which prevails on the minority side, not just on a bill now and then but on every single constructive bill that comes before this House of Representatives.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the distinguished minority leader.

Mr. HALLECK. I understand that yesterday the gentleman from Indiana had a poll taken of his district, and it was reported to me that the poll indicated a vote of 8 to 1 against this bill; is that correct or not?

Mr. ROUSH. That is correct, Mr. Minority Leader. And, I say this to the minority leader:

Mr. Chairman, I have a very unique district in these United States, and that the views of my farmer constituents certainly are not the views of many of the constituents of my other colleagues on this side of the aisle.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I certainly want to commend the gentleman from Indiana for listening to the voice of his constituents instead of his administration when those viewpoints conflict.

Mr. ROUSH. I might say to the gentleman from Oklahoma that I must confess that I listened to the voice of my constituents, but that voice merely confirmed convictions I happen to have on this particular piece of legislation.

Mr. ICHORD of Missouri. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. ICHORD of Missouri. I yield to to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I wonder if we cannot limit debate on this amendment? I think it is all well understood. It increases the acreage from 25 to 40 acres.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. QUIE. Mr. Chairman, reserving the right to object, I do not believe anyone on this side of the aisle has taken the floor in opposition to the amendment, and I would like to have 5 minutes reserved to myself.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ICHORD of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ICHORD of Missouri. Mr. Chairman, am I recognized for a full 5 minutes?

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, I did not mean to cut off the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD of Missouri. Mr. Chairman and Members of the House, I rise in support of the amendment offered by the distinguished gentleman from Virginia, and I take note of the fact that the gentleman from Virginia is a Democrat who has offered a constructive amendment to this bill. I want to advise the distinguished minority floor leader, for whom I have a great deal of respect, that I am going to vote for this bill, regardless of whether or not this amendment is adopted, barring the adoption, of course, of further undesirable amendments. It is not my purpose as a new Member of Congress to tell any of you Members with more seniority how you should act when someone tries to twist your arm. But I think I can tell the gentleman from Indiana that if he cannot stand a little arm twisting in this game, he had better get out of it, because this is the rough game of politics.

Mr. Chairman, I rise in support of this bill, not because of anyone twisting my arm. I would also advise the gentleman from Indiana that I voted against the bill to increase the debt ceiling. I did it because I thought that was one way to stop some of this exorbitant spending. I did it after a member of the Department of Defense came into my office and talked to me. I happen to have located in my congressional district, Fort Leonard Wood. He did not try to twist my arm. But I assure the gentleman from Indiana if he had tried to twist my arm, if he had threatened to reduce expenditures going into my district, I would have said "Cut them." That is what any Member of Congress should do when they attempt to twist his arm.

Mr. Chairman, for 3 days the House has been arguing H.R. 11222, dealing with one of the most complicated and unresolved problems in the history of the American Republic. It is, indeed, a difficult problem. But I think that we can rejoice in the fact that it is a problem of surplus and not one of deficits. That is what it is—a problem of abundance. I take my hat off to the American farmer. He is the most efficient producer in the American economy.

Mr. Chairman, I have listened to the debate on this bill, which has been long, often emotional, and frequently of political color, and I am highly disappointed that the minority party has taken a position of obstruction rather than pursuing an affirmative course of constructive action.

Mr. Chairman, this is a piece of legislation on which it has been very difficult for me to make up my mind. But I have finally decided to vote for H.R. 11222, not because I think that this is a final solution to the farm problem. I believe that the farm problem will be with us after this bill is passed. But I am voting for this bill because of the other alternative—the dark and dismal alternative of reverting back to the policies of Ezra Taft Benson—which would not be fair to the American farmer, which would not be fair to the American consumer, and which would not be fair to the taxpayers of the United States.

I personally do not believe this bill is the best approach. But at least it is an approach which is more than the minority has proposed for the last 3 days. I realize that if you are going to have farm price supports you must have controls. The two go together and I have long thought that our farm program should be set up on a pound-and-unit basis; that is, guaranteeing each farmer a parity price on a limited amount of production and letting the excess production seek its own level in the marketplace on a free market basis. This, I believe to be the only way to save the family sized farm and I think it will eventually be our farm program.

But such a bill is not before me today and I have to be realistic. The statement has been made during debate that some Members are going to vote for or against the bill because of political reasons. Political reasons have certainly been no consideration of mine in making my decision to support this bill. The farm problem is too serious to play politics on. I am casting my vote for H.R. 11222 and I earnestly beseech the distinguished chairman of the Agriculture Committee and the members of the committee to keep at this problem and I know they will, for we definitely owe to the American farmer our diligent attention to a problem caused only by efficiency and industry, and industry and efficiency should always be rewarded, and in this case rewarded with a solution to the tremendous farm problems.

(Mr. ICHORD of Missouri asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. JENNINGS] which will provide that the so-called 25-acre exemption be raised to 40 acres. The gentleman from Virginia attempted to point out in his remarks that this was not an exemption; if a farmer had been raising only 10 acres in 1959 and 1960, it would not make any difference whether he raised 40 acres in 1961 and 1962, he would only get his 10 acres as his base, which was his base in the 2 previous years.

As the gentleman from North Carolina [Mr. COOLEY] pointed out the day before yesterday in a table that he offered for the RECORD, under the 25-acre so-called exemption, 12 million acres would be exempt from reduction in production. As a matter of fact, I should like to ask the chairman how many acres would be exempt from reduction in production if that 40-acre amendment would become law.

Mr. COOLEY. Mr. Chairman, unfortunately, I do not have the figures. I know only about the 25-acre exemption.

Mr. QUIE. In the State of North Carolina, 82 percent of the feed grain farmers would be exempt under the 25-acre exemption. What percentage of the North Carolina farmers would be exempt under the 40-acre exemption?

Mr. COOLEY. I stated to my friend that unfortunately I do not have the figures. But substantially more would be eliminated. But they are not really eliminated. They are just in the position of having to make a choice whether to come under the program or not.

Mr. QUIE. Then I would like to ask the gentleman from Virginia [Mr. JENNINGS] who offered the amendment, under the table offered by the chairman of the committee, 89 percent of the feed grain farmers would be exempt under the 25-acre exemption. What percentage of the farmers would be exempt under the 40-acre exemption?

Mr. JENNINGS. As I pointed out, none of them would be exempt, because this is not an exemption. This is a freedom of choice. But I will say to the gentleman that a little better than 90 percent—90.3 percent, I believe, of the Virginia farmers would have freedom of choice whether to come into the program or stay out, but none of them would be exempt. Let me say, also, that of all the farmers in the United States they represent less than 20 percent of all the feed grains that are produced.

Mr. QUIE. This is why I am opposed to the bill. It is because of such loopholes as this where in one State better than 90 percent of the farmers who produce feed grains are exempt. They do not have to take any reduction in production. It means that those of us in the Midwest are going to have to take the reduction in production that should have been taken in some of the other States.

As was pointed out, these States will be penalized if they raise an amount above that which they produced in 1959 and 1960. They do not have the right to vote in that area, but they do not have to take a reduction in production. This, again, I want to point out, is how completely unfair this bill is. Everybody ought to be covered and take the reduction in production or else the program ought to be voluntary.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. COOLEY. Under the 40-acre-exemption provision we are advised it will affect only 10 percent of the national production.

Mr. QUIE. That means that 10 percent additional acres will be affected by the so-called deficit areas amendment, but what percentage of the farmers would be exempt?

Mr. COOLEY. I do not know what percentage of the farmers. I am talking about overall production. It would be involved only to the extent of 10 percent.

Mr. QUIE. Right now under the 25-acre so-called exemption 54 percent of the farmers in the country are exempt, but under the 40-acre exemption even more will be exempt and the program will all be poured onto the Midwest and the reduction in production will have to happen there. We saw before how these special exemption could ruin a program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. I thought this amendment was designed to take care of the family-size farm, yet we find only 10 percent covered under this amendment.

Mr. QUIE. Ten percent additional acres, but this means that the family-size farm will not have the right to vote.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not desire to pursue the matter further. I think it is perfectly plain this is a liberalizing amendment. When you adopt the amendment you are dealing with only 10 percent of the national production. If they want to come into this program they can come in and vote and participate and receive price supports. So I urge the adoption of the amendment.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. It seems to me the same objection voiced against the 25-acre amendment can be voiced against the 40-acre amendment. It is compounding a felony.

Mr. COOLEY. I would call it a mere misdemeanor.

Mr. HOEVEN. I urge that this amendment be rejected.

Mr. Chairman, this feed grain bill in some respects is similar to our income tax law. In our tax law we start out with a rate that is supposed to apply to everyone. But the first thing we know certain groups and individuals get special treatment. They get exemptions and deductions which others do not. The result, of course, is that some people end up carrying a much heavier tax burden than do others.

So it is with this proposed feed grain program. First we started out with the idea of a national feed grain program applying to everyone. Then it was the feed deficit amendment to give special treatment to farmers outside the corn-sorghum belts. Next it was a corn for silage amendment. Then it was a so-called small farm exemption for farms with base acreage of less than 25 acres. And, now it is proposed that this limitation be raised to 40 acres.

The net effect of all these special gimmicks is to saddle the Midwest farmer with heavier and heavier burden of cutting his production. It is completely unfair to further penalize the great Midwest area of the country. I strongly urge that the amendment be rejected.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Is the chairman for or against the amendment?

Mr. COOLEY. I am for the amendment.

Mr. GROSS. You are for the amendment?

Mr. COOLEY. That is right, to increase the acreage allotment from 25 to 40.

Mr. GROSS. You want to liberalize it some more?

Mr. COOLEY. That is right.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I should like to know from the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], how he could oppose the Abernethy amendment and support this one.

Mr. COOLEY. The Abernethy amendment would affect 85 or 90 percent of the production.

Mr. GROSS. This is less worse?

Mr. COOLEY. That is right. That is why I said it was just a misdemeanor.

Mr. GROSS. Is this the climate in which we are passing upon a bill of such importance? Is this the attitude that you want to take toward a bill that affects all the farmers of America?

Mr. COOLEY. It is exactly the attitude we want to take. That is the reason the 25-acre provision was inserted. Now we are increasing the 25 acres to 40 acres, which, as I say, affects only about 10 percent of the production.

Mr. GROSS. The Lord help the American farmer if this is the attitude. The farmer under the circumstances and the amendments being adopted is destined to be the victim of a cruel hoax. It cannot be any other way. The American farmer is being penalized today, and the chairman well knows it.

Mr. COOLEY. We want you to vote for the American farmer. Here is an opportunity to do it.

Mr. GROSS. I would like to be able to vote for a bill that would help the American farmer. Will you not some day bring out a bill to help him find his place in the economic life of this country?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. AVERY. Mr. Chairman, I have been trying to get the chairman of the Committee on Agriculture, the gentleman from North Carolina, to tell me why the 25-acre exemption was good 2 weeks ago and now it has to be 40 acres? The facts have not changed. The facts are the same as they were.

Mr. COOLEY. The membership probable might be softened up by this amendment.

Mr. AVERY. What was that? Will the gentleman restate that?

Mr. COOLEY. Do you want me to tell the truth?

Mr. CHELF. It is because he needs fellows like me to vote for the bill. That is why. I cannot vote for it unless you adopt this amendment.

Mr. AVERY. That clears that up.

Mr. GROSS. Mr. Chairman, if I may have just a little bit of order, we now have the answer from the gentleman from Kentucky and this has been the situation throughout the day. Either we pass an amendment or a Member says he will not vote for the bill. It is just about that simple. The bill has to be fashioned to fit the individual wishes of a lot of Members of the House of Representatives or it will not pass the House. That is the story.

Mr. Chairman, in the time remaining I want to comment on some of the statements which have been made in connection with this bill. For instance, someone said, and I believe it was the gentleman from California [Mr. SISK] or perhaps it was the gentleman from Texas [Mr. POAGE], that we must get back to the law of supply and demand as a means of establishing prices for farmers. Well, Mr. POAGE, we had the law of supply and demand in 1930 and 1932, you remember. We had supplies of farm products on every hand and enormous demand for food and fiber on the part of consumers, but the so-called law of supply and demand failed to work either for farmers or consumers.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield briefly.

Mr. POAGE. There was not anybody trying to make it work for the farmers then. We are trying to make it work for the farmers and we are trying to get your help to try to make it work for the farmers.

Mr. GROSS. Oh, sure. You know that the law of supply and demand will not work today. It did not work then as a means of fixing fair prices for farmers in this country.

Then there has been much talk about surpluses and we can all agree these should be reduced, but if you ever do get around to a supply and demand situation in agriculture by abolishing surpluses you will be in deep trouble because embedded in foreign policy, among other things, is a growing reliance upon surpluses. Do you know that this Government recently used $3 million that accrued from the so-called sale of farm products to Bolivia to provide for the retirement of 6,000 surplus mine workers in that South American country?

If ever this country runs out of farm surpluses it will be in trouble with the school lunch program, with foreign policy, and a host of welfare programs at home and abroad. But this is a bad bill because it will not provide American farmers with their fair share of the national income and it will make a czar of the Secretary of Agriculture.

These are only a few of the reasons why I oppose this bill.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. MICHEL. A little later under the 5-minute rule, I am going to make some remarks with respect to the cost of this program. What is the difference in the cost according to the projected

figures if we amend the bill to read 40 acres instead of 25?

Mr. COOLEY. I do not think there would be any substantial difference.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the preferential motion.

I would like to have an answer from the chairman, if he has any, on any adjustment in the cost figures if we change this from 25 acres to 40 acres?

Mr. COOLEY. I just gave you my opinion. I do not think it would make any difference in cost. Any statement along that line would necessarily be in the realm of speculation and conjecture. No one knows how many of these producers will come in to the program and who will stay out.

Mr. MICHEL. If it does not make any difference in the cost whatsoever, we might just as well open the door wide and I might point out that this factor of cost is pretty much of a prime consideration to many of us. If it does not make any difference, we might as well open the door wide open, if there is no difference in the cost.

Mr. COOLEY. The door will be wide open. Anybody can come in, if they want to, if they have a base.

Mr. MICHEL. And it does not cost the taxpayer any more in the end?

Mr. COOLEY. I would say that, perhaps, the larger the participation, the greater the cost might be.

Mr. MICHEL. That is just the kind of nebulous answer when I asked the question the other day.

Mr. COOLEY. I would suggest to the gentleman that the answer must at this time be nebulous. I cannot give the gentleman any better answer than that.

A little later we will have something specific.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. HOEVEN. While the gentleman is on the subject, it might be well to conjecture the cost of the many amendments, which have been proposed by the majority. It is a completely nebulous figure. Nobody knows how many millions of dollars are involved.

Mr. MICHEL. I think that is right.

Because there seems to be considerable confusion I want to point out again that this bill does not change the compensatory formula of payments made to the farmers. It is no different from what we are doing today, but with only 24.7 percent of the base acreage in the program it cost $782 million in 1961. With a 3-percent increase this year, to 27.6 percent of the base acreage involved, by the committee's own report it is costing $900 million. The Secretary's letter that he sent to all of us said this is going to result in a reduction of cost to $500 million. There is no basis in fact for this figure at all.

I just appeal to your good logic and reason, that is all. If the proportion of the base acreage involved is only 27 percent under this program today how, in heaven's name, can the cost be reduced if the percentage of the base acreage increases with the enactment of this bill? It has got to go up. In 2 or 3 weeks we are going to have the agriculture appropriation bill before us on the floor of this House. If you think the cost is going to be less this year than last year you are mistaken. And if you think it is going to be high this year, wait until next year when you come back again and you have to foot the cost of this bill.

I ask the Members who represent urban areas to think of these things. When we divert acreage under the existing program or under the terms of this bill it costs the taxpayer $50 an acre, as for example in my district, and then on top of this the farmer can get a Federal payment for a cover crop under ACP. The cost of these payments alone will amount to a quarter of a billion dollars this year. It is crazy, foolishly crazy for us to continue this, and it is the people in the urban areas, the consuming public who have got to pay the bill.

Mr. COOLEY. The gentleman is talking about the present feed grain program?

Mr. MICHEL. Yes.

Mr. COOLEY. We are abandoning that program, we are giving it up.

Mr. MICHEL. I am speaking about the programs that are in this bill.

Mr. COOLEY. If we do not pass this bill we are going back to the program the gentleman is talking about.

Mr. MICHEL. No, we are not doing that at all.

Mr. COOLEY. We will be going back to the 1958 program.

The CHAIRMAN. The question is on the preferential motion.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 103, noes 149.

So the preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JENNINGS].

The question was taken; and on a division (demanded by Mr. AVERY) there were—ayes 160, noes 98.

So the amendment was agreed to.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection."

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, what this amendment does, it merely says that a farmer, at his own election, in writing, may go to his ASC committee and say "I do not desire to have my corn or other grain which I raise for ensilage included in my feed grain base." He may then continue to grow the ensilage that he grew in 1959 and 1960, his average of the base year period, and not have that included in his base.

Now, let me give you an example. A farmer back in 1959–60 grew 10 acres of corn, grain sorghums, or what have you for grain. He also grew 25 acres of corn for ensilage. This merely says that the farmer, if he so elects, may exclude that 25 acres that he grew for ensilage in his feed grain base.

Mr. Chairman, I hope the committee will accept the amendment.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I am perfectly willing to accept the amendment as far as I am concerned.

Mr. JENNINGS. I hope the amendment is adopted.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. TAYLOR. I would like to ask a question or two of the gentleman from Virginia. Under your amendment the farmer could produce as ensilage what he produced in the base period, 1959–60, but no more?

Mr. JENNINGS. That is correct.

Mr. TAYLOR. Now, what provision is made for a farmer who is now in business but was not in business in 1960?

Mr. JENNINGS. The same provision as made in the feed grain provision: 1 percent reserved to the States and 4 percent now under the Mahon amendment that will be reserved to the county for the new growers, hardship cases, or any other acceptable reasons that exist. They go down to the farmer-elected committee and present their case, and if they are not satisfied with their decision, they can appeal to the appeals committee and then they can appeal it to the State committee and then through the courts available in the U.S. Government.

Mr. TAYLOR. Is there any provision which would protect the farmer who during the last 2 years has built a new silo and purchased new harvesting equipment to increase his production?

Mr. JENNINGS. That is one of the questions that the county committee would take into consideration, and I have every confidence that the county committee would do what is right and just.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Kansas.

Mr. AVERY. As I recall, the farmer was compelled to figure his ensilage acres as part of his feed grain base for 1961–62; is that not correct?

Mr. JENNINGS. You are talking about the emergency feed grain provision?

Mr. AVERY. Yes.

Mr. JENNINGS. That is correct.

Mr. AVERY. What becomes his feed grain base for 1963? Is it the total of his feed grain and his ensilage; is that his new base?

Mr. JENNINGS. That is correct. It is the same as it was in 1961. It is still based on 1959–60.

Mr. AVERY. Then he could plant silage in addition to that without being in violation?

Mr. JENNINGS. No.

Mr. AVERY. This is very important, and I think it should be explained.

Mr. JENNINGS. It is very important. If the gentleman will suspend for a minute, I will try to explain again. The farmer, using the same example, who during 1959 and 1960 had a feed grain base of 75 acres, and 50 acres of that was planted for grain and 25 acres was planted for ensilage, under this provision he may, at his own option, in writing, exclude from his feed grain base and plant what he planted during 1959–60 to ensilage without affecting his grain base. In other words 25A.

Mr. AVERY. In the same example, what is his feed grain base for 1963?

Mr. JENNINGS. His feed grain base would be 75 acres.

Mr. AVERY. Well, then, am I not correct that he can plant ensilage in addition to that without being in violation?

Mr. JENNINGS. He cannot. He could only plant 25 acres because that was included in his base. But, he could plant that 25 acres which was included in his base as ensilage. He could plant that and not be affected by the participation of this program on his feed for grain.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Ohio.

Mr. HAYS. I have a question now about this 40-acre limitation. Suppose a farmer grows, we will say, 35 acres of grain, can he participate actively and grow as much ensilage as he wants to in addition?

Mr. JENNINGS. Going back to the 40-acre provision, this has no relationship to the 40-acre provision.

Mr. HAYS. Why does it not have? In my district there is hardly anybody who will grow more than 40 acres of grain, but a lot of people would grow up to the 40-acre limitation.

Mr. JENNINGS. He may grow what he did in 1959 and 1960.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. MASON. I object, Mr. Chairman.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to ask the gentleman from Virginia [Mr. JENNINGS] now, and I would like to get this clear: As I understand it, under the 40-acre limitation the man does not participate in the program if he grows less than 40 acres; is that right?

Mr. JENNINGS. No, that is not right.

Mr. Chairman, I might say to the gentleman from Ohio, if he will yield——

Mr. HAYS. I yield to the gentleman from Virginia.

Mr. JENNINGS. That is wrong, for this reason: In the 40-acre provision those who have a feed grain base up to 40 acres may participate, or they may elect not to participate. That would have no effect on this, other than that portion of that 40 acres which was in ensilage—which was grown for ensilage—may now be grown for ensilage and not included in that base acreage.

Mr. HAYS. In other words, then, if a man was growing 30 acres of grain and 20 acres of ensilage, and if this amendment is passed, he is not included, and he could continue to do that?

Mr. JENNINGS. If the gentleman will yield, he may still continue to grow 20 acres of ensilage.

Mr. HAYS. I am talking about the fact that he could continue to grow that amount, and not be affected?

Mr. JENNINGS. He may; you are correct.

Mr. HAYS. That is the reason I asked that question, because if this amendment passes, plus the 40 acres, that makes my district like Ivory soap, 99$^{44}/_{100}$ percent pure.

Mr. JENNINGS. If the gentleman will yield further, I hope the gentleman can then vote for the change.

Mr. HAYS. I think I can, because it will not affect anyone in my district.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to question the gentleman from Virginia [Mr. JENNINGS] a little bit further in order to fully understand what the proposed amendment would do.

Did I understand correctly that if a person had 20 acres of ensilage and 30 acres of corn that he raises for grain, that then he would still be under the 40-acre exemption, even though 50 acres of corn were raised on this farm?

Mr. JENNINGS. If the gentleman will yield, he would not be under the 40-acre exemption, because that would add up to a base of 50 acres. But this amendment proposes that at the election or option of the producer, his ensilage—the corn which he grew for ensilage—may not necessarily be counted into his base acreage, which means he could continue to grow his 20 acres for ensilage and then have 30 acres for grain. In other words, he may either come under the program or he may elect to stay out.

Mr. QUIE. Then the assumption would be, as I understood the gentleman from Ohio, that a person could take his 40 acres for grain and add onto that the acres that went into ensilage; is that correct?

Mr. JENNINGS. If the gentleman will yield further, no; that is not correct. He cannot raise the 20 acres he had grown for ensilage. He may continue to grow that and then under the 40-acre exemption he would only have 30 acres left. He may either come under the program or stay out of the program. What we are saying is that ensilage will not count for purposes of a feed grain base, unless he so elects.

Mr. QUIE. I thank the gentleman.

Mr. Chairman, I would like to direct this question to the gentleman from Texas [Mr. POAGE]. As I understood from the answer which was given to my question by the chairman of the committee [Mr. COOLEY], the difference between the 25-acre exemption and the 40-acre exemption would mean that 10 percent more acres would be exempt. I also understood from his later comments that under the 40-acre exemption only 10 percent of the acres in this country of feed grains were exempt. Which is true?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. POAGE. Approximately 13.8 percent of the total feed grain acres of the United States would be exempt if everyone took advantage of the exemption under the 40-acre amendment. Actually, I think it is reasonable to assume that there would be about 10 percent.

Mr. QUIE. Based upon the information contained in the table which the gentleman from North Carolina [Mr. COOLEY], inserted in the RECORD on the first day of the debate, under the 25-acre exemption, 12 percent of the acres would be exempt. If that is true, how could the percentage of acreage exempt now be 10 percent?

Mr. POAGE. If the gentleman will yield, may I suggest to the gentleman that the gentleman's source of information is probably just as good as mine. The information I have is that the 40-acre exemption will probably take out about 10 percent of the acres of feed grains in the United States. The gentleman from Minnesota may have data that would indicate something else. I am a little flattered that the gentleman feels that I have much better information than the gentleman has. But the gentleman asks for my information, and I am giving it to him. The gentleman may have other information, and the gentleman may prefer to believe that rather than believe me. The gentleman can take his choice.

Mr. QUIE. I understand this information came from the Department of Agriculture.

I wonder if the gentleman from Virginia [Mr. JENNINGS], has anything to add to it? If so, I would be glad to hear from the gentleman from Virginia.

Mr. JENNINGS. Let me say to the gentleman from Minnesota that I have nothing to add. I think what the gentleman is referring to is the fact that probably in some of the States it would be as high as 20 percent. It would be as high as 20 or 25 percent. The information that I have is that under the 25-acre exemption it would be about 8 percent and under the 40-acre exemption it would amount to about 2 or 3 percent more which would bring it up to a total of about 10 percent.

Mr. QUIE. Mr. Chairman, I would like to read for the record the estimated number of farms that were exempt under the 25-acre exemption. That figure is 1,204,532, being 54 percent. The number of acres was 11,976,500, making 12 percent according to this chart. All the added exemptions from all the amendments make it even more than the 12 percent. And if it gets up to about 20 percent you can imagine the amount of feed grain acres that the farmers of the Midwest are going to have to reduce in order to get the 25 million acres idled in order to bring a balance

between supply and demand of feed grain.

Mr. McINTIRE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to direct my question to the gentleman from Virginia [Mr. JENNINGS]. Under the legislation before us, if I understand it, corn grown not for harvest as grain but for ensilage is classified as a feed grain.

Mr. JENNINGS. That is correct.

Mr. McINTIRE. Under the amendment which the gentleman is proposing, and notwithstanding his amendment, a farmer planting corn for use as ensilage and not for grain would still be under an acreage restriction at least tied to his base of 1959–60 acreage.

Mr. JENNINGS. That is correct.

Mr. McINTIRE. The election that he has is simply to participate in the program or not. If he chooses to participate then he would have to conform with such acreage adjustments as were consistent under the program at that time.

Mr. JENNINGS. That is true for the grain but not for the ensilage, because the purpose of this amendment is to exclude grain grown for ensilage up to his base which was established in 1959–60.

Mr. McINTIRE. My example was that he was growing only corn for ensilage, not grain of any other kind.

Mr. JENNINGS. Then he would come under the provisions of the act and would be subject to the option of the 40-acre provision; or, if he were above that, he would come under the act and would have to participate and cut back if the farmers voted for that program.

Mr. McINTIRE. The bill before us, amended as the gentleman proposes, would still require a farmer who was growing corn for ensilage, this being his only grain, to hold to that base of 1959–60 and if his acreage exceeded that base he would be subject to penalty whatever use he may wish to make of the ensilage.

Mr. JENNINGS. If he were in excess of that amount and decided not to come under the 40-acre exemption, the gentleman is correct.

Mr. McINTIRE. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, the gentleman from Maine has emphasized the very point I had in mind. It seems to me this is a very ineffective amendment. It will not exempt corn for silage from the program. The farmer is still limited as to his base. It creates some more complications and loopholes in the feed grain program. It simply means that the corn farmer will have to cut back on his production that much more in order to make up for this new loophole in the law.

Mr. McINTIRE. Mr. Chairman, the point that I wish to make for the record is that those of us who are interested in areas that are not producing grains for feed but might well be producing corn as ensilage corn, not for harvest—those acres are just as much under the provisions of this bill even as amended by the gentleman from Virginia as any other grain which might be grown on the farm.

Mr. TAYLOR. Mr. Chairman, I offer a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR as a substitute for the amendment offered by Mr. JENNINGS: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage if the operator of the farm elects in writing to have such feed grains harvested for silage excluded."

Mr. TAYLOR. Mr. Chairman, we have been hearing during the last 2 days that amendments will be presented by committee members exempting silage and oats. I understand that the gentleman from Florida [Mr. MATTHEWS] will present an amendment which completely exempts oats. The silage amendment presented by the gentleman from Virginia provides only a limited exemption. It restricts each farmer to the amount of silage that he produced during the base years of 1959–60. My amendment would exempt silage entirely just as oats is being exempt.

Silage accounts for only 8 percent of the total amount of feed grain produced nationally. In North Carolina it represents only 4 percent of the feed grain produced, but in my district and in many other sections where grain is produced mostly for livestock consumption at home, silage represents the majority of all feed grain produced and it is all fed to dairy cattle and to beef cattle on the farm.

Silage is a roughage. As a feed it competes with hay and fodder and not with dried grain.

There are sound reasons justifying treating it separately from other corn or feed grain. Silage by its own nature is a commodity which cannot be shipped in commerce. It spoils as soon as air strikes it. It invariably is taken from the silo and fed immediately to livestock on the farm where it is produced, or close by.

Silage has nothing to do with the national grain surplus which we are concerned about. There is no surplus in silage. The Federal Government is not spending one penny on storage for silage.

Exempting silage will not cause other grain producers to quickly shift to its production.

Special silos and special farm machinery must be purchased before a farmer goes into the business of producing silage. He must purchase livestock before he can use it.

In my section of the country and in many other sections the alfalfa beetle during the last 2 years has destroyed much of the alfalfa crop and livestock farmers have shifted and are shifting to corn and corn silage and have increased their silage production extensively during the last 2 or 3 years. When we cut them back to their 1959–60 silage base they will have to make a change in their operations. Some will shift to oat or barley silage but this requires special harvesting machinery which may cost $5,000 or more. The only alternative for many will be to sell part of their herd and reduce their operations.

These dairymen and beef producers purchase dry feed on the national market. Practically every dairyman in my section of the country purchases more than $100 of feed per cow per year on the national market and most of it comes from the Western States. They represent an important segment of the feed grain market and they are helping to reduce the surpluses.

Putting these livestock producers part way out of business and forcing them to curtail their operations is a hardship on them and will not aid in solving the national grain surplus problem, but on the other hand we will be defeating the very purpose of this legislation. We will be limiting their future operations and limiting their ability to serve as purchasers of grain.

I hope that you will adopt this amendment which really does exempt silage and treats silage just as oats is being treated.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman.

Mr. EDMONDSON. I think the gentleman's amendment has definite advantages over the amendment of our good friend, the gentleman from Virginia, and I certainly intend to support the gentleman's amendment.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman.

Mr. WHITENER. I commend my colleague. This amendment is very important to our section of North Carolina.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman, I think it is quite clear that the two amendments by the gentleman from Virginia give as broad an opportunity for anyone to engage in any kind of family farm operation that it is possible to propose and still any effective control. Criticism was leveled against the Jennings amendments, on the ground that they opened the door to some additional exemptions. And so they did. But they are quite carefully circumscribed so that they will not open a great breach in the wall.

But the amendment to the amendment does tear down the wall. It just takes the fence down and says you can plant all the land you want in feed grains so long as you put it in silage. Now you can put mature corn into silage. Every farmer knows that. We do not grow much corn and we do not do much in the way of silage down my way, but I have grown corn and let it get hard and then run it through the silo cutter and put it into a silo. Anybody can do that. All you have to do to avoid this bill, if you adopt the amendment to the amendment, is simply store the corn in silos instead of storing it in a bin. That is all there is to it.

This amendment to the amendment opens the door far too wide. The amendments by the gentleman from Virginia certainly give all the relief that is needed and all of the protection that is needed for any of the small operators of the United States.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. AVERY. Do I understand the amendment by the gentleman from North Carolina to mean this: If the farmer had a 75-acre feed grain base in 1961 and 1962 and had used part of that for silage under the Taylor amendment he could plant all of that to feed grain and then plant silage in addition to that?

Mr. POAGE. That is exactly the understanding I have of it. It means to greatly increase what you have been growing. If you are going to have any controls, then you have to have controls. If you do not believe in controls, why, of course, then there is not really any use in passing the Jennings bill. I hope that the committee adopts the one amendment and votes down the amendment to the amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. NELSEN] is recognized.

Mr. NELSEN. Mr. Chairman, I wish to speak in support of the Taylor amendment. The amendment that he offers today I offered in 1961. It was adopted without opposition from either the majority or the minority. It was later taken out in conference.

It has been stated that you can fill your silo with corn. That is true, but I have never seen a farmer go down the street with a wagonload of silage to be taken to the Commodity Credit bins and be sold in competition with the feed grain market. This amendment would help the small family livestock farm.

The amendment of the gentleman from Virginia [Mr. JENNINGS], is limited in what it can do. As I understand it, if in your 100-acreage allotment of corn you had 25 acres of ensilage, the only advantage is that the then base is reduced 20 percent of 75 acres instead of 20 percent of 100.

I believe that the Taylor amendment is fair. I believe it is a good amendment.

Let me add also that the gentleman from Wisconsin [Mr. THOMSON] offered a similar amendment in the second bill that was considered, and I think it has merit.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. HAYS] is recognized.

Mr. HAYS. Mr. Chairman, I rise in support of the Taylor amendment. This is why I do: The facts of the matter are that the small farmer who has to try to grow all the feed in the deficient areas he can for his herd of cattle may have a bad season—and we are having right now in Ohio a dry season. He may be a farmer who normally puts hay in his silage, for instance. His crop is cut down and he may decide—this can happen, I have done it myself—he may decide in July to plant grain sorghum to fill up silos. Under the Taylor amendment he can do that without being penalized, and he can have something for his dairy cattle. Not to be able to do so would work an extreme hardship. They should not be dragged into this.

Corn may be used for ensilage, but if it is chopped up it is not grain, it has become forage. You can talk all you want to about putting corn into the silo; you do not put it in as corn but as a chopped up proposition which eventually becomes forage, something like hay.

To adopt the Taylor amendment would make this bill workable in the areas where it would be necessary to do a thing of this kind. I hope the amendment passes.

The CHAIRMAN. The gentleman from Wisconsin [Mr. THOMSON] is recognized.

Mr. THOMSON of Wisconsin. Mr. Chairman, when I heard the chairman of the Committee on Agriculture say he would offer an amendment which would exempt ensilage I was quite elated, because last year I offered an amendment to exempt ensilage and it was defeated at the request of the gentleman from North Carolina with the gentleman from Texas. But when the amendment was presented by the gentleman from Virginia [Mr. JENNINGS], I concluded that this would be a sham, and a delusion, and a fraud on the farmer.

This is no exemption because you still have to include the ensilage acreage in your base acreage. One of the reasons this program was not accepted in the State of Wisconsin was because there are many small family-type farms in the State of Wisconsin who need all of that acreage for silage corn or ensilage.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I yield.

Mr. COOLEY. I do not agree that silage is part of your base acreage. The farmer who wants to take silage out can take it out and still operate on his corn basis.

Mr. THOMSON of Wisconsin. Yes; he operates on his corn basis reduced by the amount of ensilage. That is taken out, and that is the only advantage he gets. That is the explanation, and that is the way the law is written. I am standing here supporting the Taylor amendment, because if you want to do anything for the dairy farmer, the small farmer who produces ensilage and uses it not as a commercial product but as feed on his farm, you should accept the Taylor amendment. Let me say this, Mr. Chairman, the reason that this program was not successful in Wisconsin—only 30 percent of the farmers signed up—the principal reason was that you so restricted the use of ensilage that they grow there in such quantities that they could not participate in the program. If you are genuinely interested in reducing the surplus, you will accept this amendment and permit these farmers to sign up and join the program to reduce acreage that they do not need for ensilage.

Mr. COOLEY. Under the gentleman's amendment they could grow up to their base. Under the Taylor amendment the sky is the limit.

Mr. THOMSON of Wisconsin. There are many limitations, and the sky is not one of them, because you cannot pile ensilage up to the sky.

Mr. COOLEY. Mr. Chairman, I do not desire to prolong the debate. I only ask for the defeat of the Taylor amendment and adoption of the Jennings amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from North Carolina [Mr. TAYLOR].

The question was taken; and on a division (demanded by Mr. COOLEY), there were—ayes 123, noes 84.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JENNINGS], as amended by the substitute.

The amendment as amended was agreed to.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 53, beginning with line 1, strike out down through line 8 and substitute the following:

"(2) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'."

On page 53, between lines 21 and 22, add the following:

"(6) By adding at the end thereof the following new subsection:

"'(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support'."

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I know that a great many of you have received letters and telegrams from various bakeries throughout the country saying that there is a short supply of certain types and varieties of wheat. We have heard a great deal of comment from several Members who are interested in the type of wheat that is raised mostly east of the Mississippi River, and point out that there is no surplus of this particular type.

Now, this amendment will insure an adequate supply of all types and varieties of wheat. It gives the Secretary of Agriculture the authority to increase allotments of any type or variety of wheat that is either in short supply or is about to become in short supply, with the exception of that wheat which is shipped in the so-called giveaway programs overseas. It does say that you cannot give away wheat overseas under Public Law 480 or the food-for-peace program and use that as an excuse for saying we have a shortage. You may export wheat for dollars and receive the dollar subsidy and have a shortage. In other words, we do not want to cut off the people who are selling for dollars.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that I know of no one objecting to the amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I discussed this amendment with the gentleman and delivered to the gentleman a letter I received from the Ward Baking Co., located in the city of Pittsburgh. Does this amendment, in your opinion, answer the objections raised by that letter?

Mr. JENNINGS. In my opinion, this answers the objections that any miller or any processor or any manufacturer or user of wheat would have who says that there might be a shortage of a particular variety of wheat. That was the objection in your letter. It is said that soft White wheat and soft Red Winter wheat can be used by confectioners and bakeries and so forth, and that there is no surplus of that particular type of wheat. I might also say that there is no shortage of that particular type of wheat. Last year when we had the wheat bill before the committee the same argument was used, but when we asked these people if they wanted to continue to include their wheat in the Public Law 480 program, in the giveaway program, they said that they would. Now, the Department indicates it would have no immediate use for this particular language in the bill. But, if need should arise, then they would have the legislation to insure our domestic manufacturers and our export market for dollars that there would be no shortage.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Kansas.

Mr. BREEDING. I would like to ask a question. Is it true that the Secretary must find that there is a need for increased production of these varieties before he can give an order to grow more?

Mr. JENNINGS. Absolutely. He must determine that there is a shortage of any particular variety or type of wheat before he can issue that order, and he must also find that this is not being used in the giveaway program.

Mr. Chairman, this is a good amendment and I urge its adoption.

Mr. ULLMAN. Mr. Chairman, I rise in support of the amendment offered by my friend, the distinguished gentleman from Virginia.

This amendment authorizes the Secretary of Agriculture to increase allotments for any kind of wheat which he determines to be in short supply. "Wheat in short supply" would be defined as any kind of wheat for which the acreage allotments are inadequate to provide for the production of a sufficient quantity of such wheat to satisfy the demand therefor. The provision would not affect any wheat grown on a farm other than the kind in short supply.

The legislation voted by the other body contains this provision and I strongly urge the House to include it in the bill now before us. I feel very strongly that this amendment is in the public interest and would be of great benefit to our Nation's wheat growers. Again, I urge adoption of the amendment.

Mr. BELCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to ask the gentleman from Virginia [Mr. JENNINGS] two or three questions.

As I understand it, any wheat that has been used in the Public Law 480 program is not eligible for an exemption under this program?

Mr. JENNINGS. That is correct, if it has been used in that program.

Mr. BELCHER. The gentleman knows that a great many types of wheat are continuously claimed to be in shortage and are in short supply because millions and millions of bushels of this wheat have been given away under the Public Law 480 program.

Mr. JENNINGS. That is correct.

Mr. BELCHER. The gentleman further knows that some of this wheat that is in shortage in some of the States has been sold for feed in those various States. What about that type of wheat?

Mr. JENNINGS. Well, let me say to the gentleman that at the present time we have about 1,100 million bushels of Hard Winter wheat. We also have a carryover of about 180 million bushels of Hard Spring wheat, the equivalent of one crop of both of those classes of wheat. We have a fairly large crop of Spring wheat. The carryover on the other types of wheat are comparatively small. We also know that under the provisions of the bill, wheat for feed may be substituted as a feed grain, if they so desire.

Mr. BELCHER. In some of these States some of this wheat that is claimed to be in short supply, part of it was used for Public Law 480 purposes, and part of it was sold for feed in that particular area because they could not afford to ship it to some other area.

Then, the gentleman also recognizes the fact that a lot of these various types of wheat can be substituted for each other, does he not?

Mr. JENNINGS. Yes; I understand that many types of wheat can be substituted for each other. I also understand that there are certain products which take a particular type of wheat, such as Durum. But, I agree with the gentleman from Oklahoma that there is some flexibility and latitude of substitution of one type of wheat for another type of wheat in general usage, but not in specific usage.

Mr. BELCHER. As the gentleman knows, it has been the policy of the committee whenever it has been shown to the satisfaction of the committee that any of these types of wheat are in short supply, we have made a special ruling for that particular type of wheat.

Mr. JENNINGS. The gentleman is correct; yes, he is certainly correct.

Mr. BELCHER. Does not the gentleman think it would still be a good plan for the Committee on Agriculture to have a hearing in order to determine whether or not there was actually a shortage or whether there was just a claimed shortage because of this wheat which has been shipped out under the Public Law 480 program?

Mr. JENNINGS. I would say to the gentleman that I do not think this proposed amendment would give any unusual powers to the Secretary of Agriculture. I do not think the Committee on Agriculture should be called together to determine every time that there is an alleged shortage of a particular type of wheat. This amendment is placed in the bill for the specific purpose of insuring an adequate supply of these special types of wheat. I do not think the Secretary of Agriculture, regardless of what administration he might be serving under, is going to say that there is a shortage of any particular type of wheat when one does not actually exist, and when a good case cannot be made for it. I do not think it is necessary that we call a meeting of the committee for this purpose.

Mr. BELCHER. The gentleman knows that we do not have to be called together because we are in session about 8 months out of every year, no wheat crop is raised between September or October and January first of the following year.

Mr. JENNINGS. If the gentleman will yield further, I do not share the gentleman's concern.

Mr. BELCHER. Coming from a traditional wheat area, I will have to oppose the amendment which has been offered by the gentleman.

Mr. AVERY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think, perhaps this amendment was offered in good faith. I think it was offered in an effort to, perhaps, balance the supply of certain varieties of wheat. But what it actually does is this: It just constitutes another trespass upon the historical wheat pro-

ducing areas in the Middlewest. It is just as simple as that. Those of us who represent the historical wheat producing areas have been subjected to this raid under the 15-acre exemption whereby the Nation gained 5,000 new wheat farmers every year. Five thousand new wheat farmers every year have entered into the wheat production industry because of the 15-acre exemption. That has now been ended under the terms of the 1961 act.

In this bill it is provided that the national wheat allotment shall be assigned on the basis of a 5-year history. The present formula assigns State quotas. This new formula automatically takes 120,000 acres of wheat out of Kansas and redistributes it around to all the other States that historically have not been wheat producing States.

You can see what this does. If you are going to permit special treatment for special areas, you will build up a State history in the recipient State and trespass further upon Kansas, Oklahoma, and Texas and transfer the acreage to such States as Virginia and North Carolina.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman.

Mr. BELCHER. Just as a bit of correction, the gentleman said that it has introduced so many new wheat farmers each year. It has produced 1,200,000 wheat farmers within the past 10 years. There are 1,200,000 now raising wheat under the 15-acre exemption and 600,000 that raise above 15 acres.

Mr. AVERY. And those new farmers have produced about all the surplus that is considered burdensome now in the Commodity Credit Corporation.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, let me say to the gentleman from Kansas that under my amendment the Secretary, if he finds a shortage, may permit only these varieties to be grown in counties in which they have been grown, on farms on which they have been grown. In addition to that, this will not be counted as a base for any future allotments so what the gentleman is talking about, building up additional bases, will not count.

Mr. AVERY. I am glad that the gentleman has made the point. I do not think he made that point when he presented his amendment in the first instance.

Mr. JENNINGS. It is in the amendment itself.

Mr. AVERY. It is not as bad as I thought it would be. But it is a further discrimination against the wheat farmer, Mr. Chairman, and I oppose the amendment.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Kansas.

Mr. DOLE. If we continue in this way, by the time we finish debate this afternoon, the only State to which this bill will apply will be the State of Kansas.

Mr. AVERY. That is right. We are setting them out one at a time.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The statement was made that this would not count for future wheat history. That is what we were told with reference to the 15-acre exemption for about 10 years. After we gave enough of those exemptions, this bill gives an allotment to all of those who were formerly under the 15-acre exemption. What assurance do we have in the future that they will not present the same kind of a bill giving an allotment to these people to come in under this exemption?

Mr. AVERY. There is no assurance at all. This is obviously just another substitute, for the purpose of trying to get another vote or two for this bill.

Mr. Chairman, it is adverse to the interest of the wheat producing area and I urge the Members to defeat the amendment.

Mr. CURTIS of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to speak on the merits of this particular amendment. But I checked to find out whether this amendment ever had been considered by the committee and the answer is "No." Anyone who listened could tell that this amendment covers about a page and a half. This is the manner in which we have been legislating on a very important proposal that affects the economy of our country. I checked and found that the bulk of the previous amendments that were offered, and concerning which the chairman of the Committee on Agriculture rose and said, "Well, we do not have any particular objection," had never been before the committee. If these amendments were so desirable, those of us who are not on the committee would have expected them to be presented to the committee and considered quietly, carefully, and objectively as they can be by the committee.

One other point. Missing in all of this has been the question, What has been the recommendation of the administration on these various amendments? It is almost routine in the House when an amendment is offered on the floor of the House for someone to give the position of the administration. I do not happen to be of the same party as the administration, but I am certainly concerned about what the Executive might say on some of these things. This manner of proceeding is just outrageous. We cannot possibly write good legislation on the floor of the House in this fashion, by considering matters that are complicated, particularly to those not on the Committee on Agriculture. It becomes very clear, as someone has pointed out, that apparently anybody who is willing to give a vote to the chairman and has an amendment can just go up and ask the chairman and he will say, "Yes, we will accept it." I will tell you the reason why. It is because this bill, under whatever procedure is followed, is going to be written in conference.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Virginia.

Mr. JENNINGS. I appreciate the concern that the gentleman from Missouri has for the opinion of the administration. I should like to inform him that these amendments have been accepted.

Mr. CURTIS of Missouri. Is the gentleman going to say that about every amendment that has been offered here?

Mr. JENNINGS. Only the amendments offered by the gentleman from Virginia.

Mr. CURTIS of Missouri. Then I would have thought they would have been submitted to the Committee on Agriculture in due course, and I would have expected the Committee on Agriculture to consider them in their own session and not in this fashion on the floor of the House. This is just outrageous.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to commend the gentleman from Missouri for the statement he has just made. It has been a long time since I have seen a performance here that even approximated this. It is not for me to make the motion to recommit. There is very strong feeling over here that that motion to recommit should be to send this bill back to the committee. I cannot think of anything that would be more salutary than to get this bill back to the committee and let them bring back a bill that they could support when they get it on the floor, instead of writing amendments, whatever may be involved, in a fashion that cannot possibly be justified.

Mr. CURTIS of Missouri. I thank the gentleman. If this was desirable, if the administration was for these amendments, certainly they should have been considered by the Committee on Agriculture in proper session instead of on the floor of this House, instead of this procedure which is just picking up a vote here and there, and ending with a bill that is very obviously going to be a bad bill.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. COLLIER. If that just happens to expedite the handling of this bill on this basis, if we started off at the beginning of the year by having every Member of Congress write on a piece of paper what he would like in the agricultural bill for his own district, this would not make it necessary to have these prolonged hearings. We have had about 19 amendments on the floor so far. We could just put those in the bill and send it to conference, and then take whatever bill came out of conference.

Mr. COOLEY. That is just about what would happen. We would have 800 bills. I am willing to cut off this debate and vote this up or down, and forget it.

Mr. CURTIS of Missouri. You can cut off debate by not having all these amendments to which your Committee on Agriculture has not given any consideration. I am somewhat familiar with legislative language. The gentleman from Virginia and others may have good intentions in all of the amendments, but when you get into the details of the legislative wording, there is considerable dispute about what words mean and those expert in legislative drafting should review them carefully.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. I do not want the 5 minutes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. AVERY), there were—ayes 150, noes 76.

So the amendment was agreed to.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 40, between lines 18 and 19, insert the following:

"SEC. 3601. Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) Any acreage so devoted to feed grains shall not be considered as feed grain acreage for purposes of determining the farm marketing excess; (2) price support shall be restricted to that percentage of the total production of feed grains on the farm equal to the percentage that the farm acreage allotment for feed grains bears to the total acreage of feed grains on the farm; (3) the land-use provisions of section 360j shall be inapplicable to a farm on which any acreage is so devoted to feed grains; and (4) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360j, 379c of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I would like to explain the amendment.

Mr. CURTIS of Missouri. Was this offered to the committee?

Mr. POAGE. I do not know whether it was or not.

Mr. CURTIS of Missouri. I submit that is a typical example of what is being done here.

Mr. POAGE. May I tell you what this amendment does. The gentleman from Missouri does not know what the amendment does.

Mr. CURTIS of Missouri. Nor does the gentleman in the well know what it does.

Mr. POAGE. Yes, the gentleman in the well knows what the amendment does. The amendment provides, where a farmer has an allotment for cotton or wheat or peanuts or rice or tobacco—where he has an allotment that he cannot plant because of unusual weather conditions either because it is too dry or it has been flooded or because it is hailed out so that he cannot make his crop on the allotted acres of that allotted crop, then he may plant feed grain on those acres to the amount of the acreage that was allotted for the other crop.

Now the rationale of that is, and I think it is a very sound proposition, that fundamental justice requires that we should allow these people who see their entire year's earnings taken away from them to plant some crop, and normally feed grain is the only crop they can plant. If you pass a law and say they cannot stay in business at all even though the land is there and the weather is still seasonable to plant feed grain, then you will be doing the kind of thing, which too many of our newspapers like to publicize about the farm program and you will be doing the kind of thing that they say we are doing.

We do not want to be doing that sort of thing. We do want to say to those people who cannot plant their allotted crops that they can plant something, and that means feed grain, because as a practical fact you all know that feed grain is the only crop that can be planted late in the season or after planting time for the other allotted crops.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GATHINGS. This should be written into permanent law, because many times due to drought conditions, flood conditions, or hailed-out crops we are asked to pass emergency legislation to aid stricken farmers.

Mr. POAGE. The gentleman is exactly right. Time and again we pass legislation for farmers who are flooded out or hailed out. We have even let them plant crops for which they had never held allotments. This is limited to allotted acreage. They cannot get support price on this grain, it cannot count as history for any future years. I think there are adequate limitations on it to protect the farmer and to protect the Government program.

Mr. EDMONDSON. I think this amendment is vital and essential to prevent disastrous results from flood or from hail. I certainly support the amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. MAHON. I am grateful to the gentleman from Texas [Mr. POAGE], for offering this amendment which I had requested the committee to offer. This is an amendment which the gentleman and I have discussed many times during the last 2 or 3 weeks. The amendment is almost identical to the one I had prepared and which is in the RECORD of day before yesterday, a copy of which is now at the Clerk's desk.

This amendment is vital to this bill. I strongly urge its adoption. I have been encouraged to believe it will be adopted. The farmers I represent are deeply concerned over this matter. They feel that the amendment is absolutely necessary.

The provision would give the farmer something to fall back on in event of a disaster to his allotted crop, such as cotton. The amendment would provide a lifesaver without seriously affecting national production.

Is it not true that the adoption of this amendment would not mean a great additional production of feed grains but would be somewhat of an insurance against complete disaster, to those who raise peanuts, tobacco, or cotton, because of unfavorable weather?

Mr. POAGE. It is simply an opportunity to see that we do not do the unreasonable things we might do without this amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. THOMPSON of New Jersey. The gentleman from New Jersey is a city dweller. I do not understand what this will do for the peanut, cotton, or tobacco farmers. Would they as an alternative plant some sort of feed grain? Will the gentleman give us a hypothetical case?

Mr. POAGE. Yes, I will be glad to. Down in some parts of Texas it has not rained, still has not rained, and the time for planting cotton will certainly be up soon—it is up now as a practical matter, but nobody would attempt to plant cotton past the first of July if it has not rained by that time. That farmer then is going to have to go without any income whatsoever. By this amendment he would be given an opportunity to plant something else, and feed grain is the only thing he can plant.

Mr. THOMPSON of New Jersey. In other words, the gentleman's amendment would give him an alternative by which he could save himself during that year.

Mr. POAGE. That is right.

Mr. THOMPSON of New Jersey. Under these disaster conditions.

Mr. POAGE. That is right, something to fall back on if he was hailed out or flooded out.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HOEVEN. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, this is the last straw. We have gotten into a ridiculous situation. I am amazed to think that the Committee on Agriculture should find itself in the ridiculous position whereby any member of the majority party who wants an amendment can have it by simply going to the chairman of the committee and having it

OK'd. Many amendments have been offered on which no hearings were held. The Secretary of Agriculture and a select group of members on the majority side got together a day or two ago and agreed on some 13 amendments. Members of the minority on the committee were not consulted, so we know nothing about them.

Under all of the circumstances, the only reasonable, sensible thing to do is to send this bill back to the committee.

I wonder whether the gentleman from Texas [Mr. POAGE], would like to amend the title of this bill? The reference in the title to the bill relating to the reduction of CCC stocks would no longer seem necessary in view of the amendments adopted which would bring about more production instead of less.

This amendment, if passed, would get us into more production like nobody's business. If planting of feed grains on cotton acreage is permitted, we would only create a worse surplus situation in feed grains. Instead of cutting down on production it looks as if the proponents are doing everything humanly possible to increase the surplus situation which in turn means more cost to the taxpayers.

The amendment is a one-way-street operation. Why not let feed grain farmers wherever they can, raise wheat, tobacco, peanuts, rice, or cotton acres, if they suffer a loss on their feed grain crops? Oh, no. It just works to the advantage of the proponents of this sort of legislation. We in the Midwest, in the feed grain area, simply have to tighten our belts and live under these tight controls while others enjoy this kind of preferential treatment.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. If my alfalfa winterkills, can I plant corn under this amendment?

Mr. HOEVEN. No, you cannot.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. In other words, we want our cake and we want to eat it too. What we cannot do in our district somebody else can do in their district. It is apparent here that somebody is asking too much.

Mr. HOEVEN. It is a one-way street. One of these days you are going to find cotton in trouble. Tobacco has been in trouble, but we came to the rescue of the tobacco farmers 2 years ago last year. Why not give the feed grain farmers a little consideration?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kansas.

Mr. AVERY. Is there anything in the Poage amendment to prevent a farmer collecting crop insurance and going ahead and raising these other crops?

Mr. HOEVEN. I do not think so.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from California.

Mr. TEAGUE of California. Everyone seems to be getting sympathy here. My poor little old artichoke growers are having a tough time out in California. Do you think we ought to do something for those artichoke people?

Mr. HOEVEN. I hope very much that the press takes cognizance of what has been going on here this afternoon. It is enough to embarrass many of us

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield back my time in the interest of harmony.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, the farm bill, which the House is considering, is a bill to regiment farmers such as they have never been regimented before. The overwhelming majority of the people in my district want no part of it and have so informed me in no uncertain terms.

The Secretary of Agriculture claims that the bill will save the taxpayers $1 billion per year. All the evidence seems to be to the contrary. In my humble opinion, the bill will increase costs to the taxpayer. Because of the controls and redtape the measure would create, additional personnel would be required to administer the law. Since January of 1961 the Department of Agriculture has added 6,000 employees. This new proposal would add thousands of others.

My farmers are small ones compared to those in the Midwest. They are for a large part dairy farmers, poultry and egg producers, truck and berry farmers. This bill would not help them. On the contrary, it would hurt them. Those in the dairy and poultry area would be compelled to pay higher prices for their feed grains. There would be no question about it. An announced objective of the bill is to raise the income of the farmers. That objective could not be attained without increasing the price of the feedgrains they produce. Consequently, my farm people would be hurt.

My consumers would also be hurt by the bill. My distinguished Democrat colleague, the gentleman from Rhode Island [Mr. FOGARTY], a senior member of the Appropriations Committee, told the House on Tuesday that if the administration's proposal was enacted into law the cost of bread to the American housewives would be increased by $164 million per year. He called it a bread tax, and I agree.

West coast Congressmen should vote against the bill. One of the strong Democrat proponents of the measure today voluntarily admitted that it would be bad for the West. We from the West know he is right and should vote against it. We should know also that the bill is bad for the whole country. This was clearly pointed out in an editorial appearing in the Washington Daily News of yesterday which stated, and I read as follows:

A BILL TO CONTROL FARMERS

This week the House is debating the so-called farm bill—similar to a measure already passed by the Senate.

It is a bill to regiment agriculture as it never has been regimented before. It would double and triple present controls.

Agriculture Secretary Freeman, busy coaxing votes from doubtful House Members, makes the sweeping claim that this is a bill "for all the people—it would benefit farmers, taxpayers, and consumers." He expects us to take his word for it.

But the evidence is to the contrary.

It is an all-or-nothing bill. If it becomes law, wheat and feed grains farmers will be given a choice: Either they can vote for full Government controls or they can give up price supports entirely. That is a rigged choice, obviously.

The administration claims the bill would cut costs (to the taxpayer) but the American Farm Bureau Federation estimates it would have the opposite effect.

One aspect of the Billie Sol Estes scandal was his manipulation of acreage allotments. By greatly increasing the number of acreage allotments, the bill would make possible more manipulation.

Controls make redtape and redtape requires more payrollers. The Agriculture Department pay roll, already zooming, would be upped more and more. (Up to May 1, the Kennedy administration had added 6,000 employees in this Department.)

As an example of the way the bill plays both ends against the middle, Mr. Freeman proposed to pay dairy farmers for not producing milk. But the dairyman could be paid for selling or leasing his cows to others, who could keep them in production. Or for diverting the milk to feeding pigs or calves.

"Milk diverted to the feeding of calves," the Farm Bureau Federation remarks, "could lead to an increase in the number of cows available for future milk production."

But it would cost the taxpayers a fat sum, just the same.

President Kennedy has charged Republicans with playing politics over this bill. Perhaps so. But the whole farm program is shot with politics—what the country needs is not more controls over farming, but more restraints on politicians telling farmers what they have to do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Chairman, under the rules of the House when a bill is being considered members of the committee originating the legislation have preference over noncommittee members in securing recognition of the Chair for the offering of amendments and the discussion of pending legislation. This is a good rule which should not be altered, but at times it is difficult for Members of the House who are not on the committee to present adequately their views.

It was largely because of this situation that I urged members of the Committee on Agriculture to take the initiative in offering the amendments for which I have been campaigning for the past 3 weeks and which I presented to the House on June 19 and are contained in the RECORD of that date, beginning on page 10183.

I want to say that members of the Committee on Agriculture have been most cooperative and helpful. This I appreciate very much.

I am pleased over the acceptance of the two amendments which I offered earlier today. I urge the adoption of additional amendments which I shall

present later today and which I may not have an opportunity to explain to the House as a result of the parliamentary situation.

I strongly favor the amendment which gives the producer a better alternative in the event feed grain controls are voted down in the referendum. The bill as originally presented to the House is wholly unacceptable in that respect.

I wish to specifically urge the approval of my amendment which reads as follows:

On page 25, line 7, change the semicolon to a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period in order to permit the full utilization of any acreage allotment in effect for any commodity on the farm.

The law specified that the farmer, who chose the choice B cotton program in 1959 or 1960, would get no credit on his cotton history as a result of the choice B program and that he would take a lesser support price. He should not therefore be penalized on his feed grain history as a result of his choice.

I am not one who believes the Government can offer attractive support prices for crops with unlimited production. On the other hand, any legislation approved by Congress must be in the overall best interest of the farmer, and the general public as well. I am very much disturbed over the situation confronting us in this legislation today.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield back my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 88, noes 136.

So the amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MATTHEWS: On page 16, beginning with line 21, strike out down through the period in line 22.

On page 41, line 13, strike out "oats."

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. MATTHEWS. Mr. Chairman, I rise in support of the pending agricultural legislation as presented in H.R. 11222 and would like to say at the outset that the reason for my support is that we are facing a crisis in American agriculture, not because of the problem that the Soviet Union has—the inability to produce more than is needed, but because of the tremendous efficiency of the American farmer that has resulted in his ability to feed 26 other people and still have a surplus of agricultural commodities. In fact, we were told by the Secretary of Agriculture, the Honorable Orville Freeman, in his testimony before our committee, that our potential for agricultural production will outrun prospective demand for farm products over the next 10 or 20 years, even with the augmented food aid programs at home and abroad. By 1980 it is estimated that we will need 51 million acres less cropland than the 458 million acres we had in cropland in 1959. The surplus of agricultural production is in the warehouses and grain elevators of this country. Particularly do we have a problem in feed grains and at the present time we have 2.1 billion bushels of feed grains in surplus. The cost of storing our surplus agricultural commodities is approximately a billion dollars a year. Much of the profit of agriculture has gone on to the owners of the warehouses and all of you are familiar with the tremendous profits that can be made in simply storing our surplus agricultural commodities. The illegal transactions of Billie Sol Estes remind us of the impact of this program in the hands of unscrupulous operators.

I feel that this problem of agricultural surplus hangs over the heads of the farmer in America and will eventually bring about the ruin of a prosperous American agriculture unless something is done about this problem. The taxpayers of America have a right to demand a program that helps the farmer and consumer and does not simply pile up unneeded agricultural surpluses to rot in the warehouses of America. The carryover of wheat next July 1 on the basis of estimated supply and disappearance is expected to be about 1,380 million bushels, which is down from the alltime records. Stocks will remain far in excess of our need for reserves to meet possible emergencies. The supply of feed grains in the current marketing year is estimated at 225.5 million tons, more than 5 million tons less than was available during the previous marketing year, but let us keep in mind that domestic disappearance in 1961 to 1962 is estimated at 135 million tons and exports at 13.3 million tons. April 1 stock reports indicate that corn stocks alone are about 280 million bushels less than last year, but keep in mind that it is estimated that even with the reductions under the emergency feed grain programs, that at the end of 1962, we shall have 77.4 million tons of feed grains at the end of the year. As of March 31, this year, the Commodity Credit Corporation had $3.1 billion invested in feed grains. We simply must do something about the problem.

The programs or approaches to solve the problem are: First, to terminate all price support and production adjustment programs; or, second, turn away from acreage adjustment programs and reduce price supports moderately; or third, enact permanent legislation that would make it possible to adjust farm output to actual requirements at fair prices and to reduce existing stocks to manageable levels.

Very few people recommend the first alternative, which would not only ruin the American farmer, but would bring about a severe depression in this country. The fact that we would have a depression has been documented in independent studies. Now, if we use the second alternative—ending production adjustment programs and placing price supports at relative low levels, as was tried by Secretary Benson in the previous administration, we know from experience that we will have steadily growing stocks and rising costs for handling and storage. So, the present agricultural legislation approaches the third alternative, and by using this alternative, it is hoped that surpluses can be cut down in such a way as to help producers get a return more commensurate with their investments, to keep stable prices for the consumer, and to permit the continuing healthy condition of the livestock industry in America. It is easy to criticize, Mr. Chairman. Disraeli once said "It is much easier to be critical than correct." But we must present cold, hard alternatives. Let me repeat again that the American taxpayers feel that we should do something about the billion-dollar annual cost of handling the tremendous agricultural surplus in America, caused largely by the wheat and feed grain commodities.

Now, Mr. Chairman, it is difficult to tailor bills to suit each farmer in America. We realize that when we propose national legislation, there will be some aspects of it that are not favored by everybody. In my own congressional district, we have the problems of the farmers who produce the corn and other feed grains. Then we have the problems of the livestock and poultry industry that are consumers of feed grains. Insofar as those who produce feed grains in Florida are concerned, I sincerely believe that on the basis of the emergency feed grain programs, the producers have profited greatly from that program, and will profit from the proposed program. I believe they realize that fact. It is interesting to note in Florida that in 1961, we had a base acreage of 632,300 acres of corn, and 115,900 acres were diverted into the emergency feed grain program. Four thousand five hundred and twenty-nine farmers participated, or 28 percent of the total farms. Now, in 1962, we have had 163,900 acres of corn that were signed up for the emergency feed grain program, as compared to 115,900 acres diverted last year. This would indicate, Mr. Chairman, that our corn producers are taking advantage of this present emergency feed grain legislation. It would also indicate that despite Florida being in a feed deficit area, our producers of corn have not found it profitable to produce the maximum amount of their corn acreage. Other farmers in Florida who have, I know, a serious concern about the problems of a feed grain deficit will, I hope, keep this in mind. I think we should also point out that there is not the strict control in this legislation that some people think there should be. For example, the control is not on a bushel basis, and in our own State of Florida, it is estimated that the average yield of corn is 30 bushels per acre, whereas anyone familiar with Florida agriculture knows that on many acres, much more than that amount of corn can be produced with more fertilizer applied, and with good rainfall or irrigation. So, the fact remains that on the reduced acreage in Florida, it would seem that we have a good opportunity to produce all of the feed grains for which there is a local demand.

Now, insofar as the livestock and poultry producers in Florida are concerned, I know here again we have difficulty in tailoring this proposed legislation to meet on a 100-percent basis all the desires of our people. No one likes Government regulation. I do not want it unless it is absolutely necessary. I am hopeful that the agricultural problem in America before too long will be such that we can eliminate many controls. But I sincerely believe down deep in my heart that if we have a guaranteed price support, we simply must have Government controls. This program does not attempt to establish Government controls over our livestock producers. In this connection, I want to quote from a letter sent to the Honorable W. R. POAGE, the gentleman from Texas, the chairman of our Subcommittee on Livestock and Feed Grains, by Mr. Charles S. Murphy, of the Department of Agriculture, dated June 14, 1962. This letter was in response to questions raised concerning the effect of the feed grain provisions of H.R. 11222, on the livestock industry. Mr. Murphy stated that the "Department of Agriculture does not want, nor do they see any need for, direct Government programs for cattle and hogs. The feed grain program of H.R. 11222 is specifically designed to avoid any need for such programs." Mr. Murphy goes on to state that the present voluntary program, as well as the long range program, is considered by the Department of Agriculture as the best means of avoiding price supports or Government restrictions on cattle and hogs.

Now, why do they take that position? It is because, in my opinion, that if we do not have any feed grain program, the tremendous surplus of feed grains will lead to such cheap supplies of feed grains, which in turn will lead to the excessive expansion of cattle and hog production, and consequently low prices for these key meat products. Let us keep in mind that for the past 10 years, the feed grain programs putting 3 to 5 percent of each year's production into Government warehouses instead of into more cattle, hogs, milk, and poultry, has helped to support livestock prices. We have a reduction of many million bushels of feed grains this year because of the emergency programs, but we shall produce this year one-fourth billion bushels more than we feed. CCC storage and handling costs for corn rose from $20 million in the fiscal year 1953, to over $148 million in the fiscal year 1960. Fifty-two million dollars has been spent in a year to move corn around to find storage for it. Interest costs amounted to over $100 million in 1961. Let me repeat, I believe livestock prices can be better maintained and improved now by reasonable price supports and by limiting feed grain production.

In this proposed legislation, the Secretary of Agriculture may permit grazing from April 1 to October 1, with the loss of all of the conservation payments to the producer. From October 1 to March 31, grazing will be permitted without loss of payments. We have been assured that the maximum use of this authority would, in the judgment of the Secretary, have no adverse effect on the livestock industry. Not many farmers would be willing to sacrifice their conservation payment for the grazing privilege.

There will be further amendments offered during this debate, Mr. Chairman, and for which I shall vote, that in my opinion will further benefit the livestock industry and poultry producers. As you know, already in the bill there is authority to grow the maximum of 40 acres without being required to come under the program. That means that any farmer in Florida who has been producing 40 acres of feed grains can continue that production, and does not have to come under the program. This would mean 60 percent of our feed grain producers would not come under the program if they so desired. Another amendment which I, myself, plan to offer is to exclude oats from the feed grain provision of this bill. I feel that this would be of tremendous help to our livestock producers, and since oats is not in excessive surplus, it would not harm the program. If this amendment is passed, it would mean that all of the oats desired could be planted for livestock food and other uses.

An amendment to liberalize the use of silage has been passed. There are still unlimited opportunities for the development of our pasture lands for livestock food. Under the provisions of this bill, the Secretary of Agriculture may permit no decrease of production in the food deficit area.

I emphasize these facts to point out once again why I do not fear that this program will harm the livestock producer. I feel that he will have the adequate supply of food for his stock and that these prices will not be too high. Let me emphasize that with the tremendous surplus of 2.1 billion bushels of feed grain that we have at the present time, it is absolutely inconceivable to me that prices of feed grains to the livestock operators will get out of hand. There will probably be other amendments offered, Mr. Chairman, and for which I shall vote, which will assure our livestock producers and other farmers of the maximum amount of freedom that is possible in this program. Remember, we are trying to save the taxpayers of America a billion dollars a year by eliminating useless production of unneeded feed grains and in reducing excessive storage costs resulting from the same.

I want to emphasize again the fact that many of our Republican friends on the other side of the aisle voted for the sugar program this week. I pointed out in the debate on that program that here we were giving the Secretary of Agriculture the authority to set the price of sugar in America, we were giving him the authority to control the production of sugar. There was only a very feeble protest to this tremendous authority invested in the Secretary of Agriculture insofar as that particular program is concerned. Now you hear this most vocal criticism of giving the Secretary of Agriculture the authority proposed in H.R. 11222. Let me say that I do not want any more Government regulation than is necessary. I come from that part of the country which still believes in the Jeffersonian theory of States rights.

I would like to emphasize the authority of the Secretary of Agriculture is granted only if the farmers, themselves, approve of it. This program will be submitted to the feed grain producers of this country, and as you know, two-thirds of them must vote for this program and say to the Secretary that we shall invest in you this authority, and if they do not vote for it, this program is defeated. I realize that if this program is defeated, that the farmer will have some tremendous problems. I do not believe this program will be defeated if it is submitted to the farmers of America. It is the same kind of program that has worked so successfully for tobacco. I realize that there are differences in the production of feed grains. For example, there is a much larger acreage devoted to feed grains than to tobacco, but the same type of program—let me repeat again—that we are hoping we can work out for feed grains is the same kind of program that has been working for flue-cured tobacco, for corn, for cotton, for peanuts, for rice. The farmers of America have never turned down these programs in referendum, and these programs have insured a fair treatment for farmer and for consumer alike.

Now, there are those who are critical of this program, and it is so easy to criticize. I admit criticism is the privilege of every American citizen, but what is the alternative of the critics? If this bill is defeated, let me emphasize that we return to the unlimited production of feed grains that was in effect during Mr. Benson's administration with a guaranteed price support, and that means the accumulation of more hundreds of millions of bushels of feed grains that we do not need, and that, in my opinion, will in a short time cause the complete destruction of all of the farm progrms. I did not institute these programs, Mr. Chairman. We had these farm programs before I came to Congress. But every year that I have been here, I have earnestly sought to work for programs that insisted in return for a firm price support on agricultural commodities, a production control. I do not think it is fair to the taxpayers of America, I do not think it is fair to the farmers of America, to give a firm price support without a control of production.

The farmers of America, Mr. Chairman, understand this problem. They had rather produce less and get a fair price than produce an unlimited amount and get little or nothing for it. The choice is theirs in this bill that we present to you. I feel confident that their choice will, as always, reflect their good judgment.

In conclusion, Mr. Chairman, let me point out a more optimistic note. It is amazing that today we are discussing American agriculture in the terms of problems of producing more than we can use. There are a billion people in the world who go hungry every day, and yet we have this tremendous production in America, which surely is a blessing far greater than we realize. Many times you hear people say, "You give food to people abroad who are hungry, and there

are Americans who are hungry." If that be true, then there is no excuse for it. The Committee on Agriculture has sponsored legislation that will permit food to go to needy people in America. Hundreds of millions of dollars last year of our surplus agricultural production has gone to needy persons, schools and institutions, to the school lunch program, to the special milk program. Millions and millions of people living in family units in America have received this surplus agricultural production. What a tremendous blessing it is to realize that we do not have the problem faced by our enemy, Soviet Russia, insofar as agricultural production is concerned.

Let me point out, also, that agriculture today employs 7 million people, more employment than in any other segment of the private enterprise system in America, and that in addition to these 7 million people employed in agriculture, there are 14 million others, or about twice as many more, who receive jobs because of businesses supplying agriculture. They receive jobs because of the businesses distributing the agricultural products, and so, although we have only 2 million farm families in America, and 3.7 million operating farms, there are approximately 21 million working people in America dependent upon agriculture. I think we ought to emphasize the positive aspects of this program. We often talk about, in a critical tone, the departure of the family-sized farm operation, and sometimes the agricultural programs are blamed for the loss of the family-sized farmer. I maintain that we have hundreds of thousands of family-sized farmers on the land today because of programs passed by Congress. By helping American agriculture we have helped the whole Nation. In these trying periods of unemployment due to automation, we certainly need to keep as many people on the farm as we can. When they leave the farm, where are we going to put them? Labor leaders have told us in testimony before our committee from time to time that we have no need for much of the farm labor that has been siphoned off of the farm and has had to go to the cities. I say these agricultural programs have helped keep people on the farm.

We must, insofar as is humanly possible, continue to produce on our American farms so that our people will have more work opportunities, so that we can export, so that we can be competitive in the future as we are today in the world markets, where we need to send our agricultural surpluses. We must keep this program in balance, or this program, again, I predict, will stagnate, it will deteriorate, it will eventually fall under, unless we can do something about this tremendous useless production of feed grains.

There are, of course, Mr. Chairman, five titles to this bill. I would not slough over these other titles. They are not, however, as controversial as the feed grain program. Title I concerns land use adjustment. I have had friends interested in a watershed program in our district in the Mills Creek area ask for me to vote for title I because of the great benefits it would give to them in the development of that watershed project.

Title II concerns the Agricultural Trade Development Act and does not seem to be controversial.

Title III has already been eliminated.

Title IV is the controversial feed grain section.

Title V concerns the Farmers Home Administration and is not controversial, in my opinion.

Now, there are some who will say, "Let us vote against all of H.R. 11222." Let me remind you that the Committee on Agriculture has labored for months on the very distressing problems that faced us. To refuse to come up with a solution is to evade responsibility. I do not like some of the provisions in H.R. 11222. I do not like the further regimentation of the American farmer. I hope and pray with all my heart that we can get away from regimentation.

I simply believe, however, that the basic solutions offered by the Committee on Agriculture in controlling feed grains in the next several years make the best solution of this problem. I reserve for myself, of course, the right in future years to assess the agricultural program on a yearly basis, as I have done in the past. Nothing is permanent, Mr. Chairman, but change. Surely through the years we are going to have to continue changing American agricultural programs. I do not want any more regimentation than is necessary. I want to move to the maximum of freedom.

However, I want to protect to the best of my ability the American farmer and the American consumer. So it is, then, that I have come to the conclusion to support this pending legislation, with many of the amendments that are going to be considered, as the best solution that is possible for the present.

My proposed amendment would delete oats from the crops included as feed grains subject to acreage allotments and marketing quotas under H.R. 11222. The question of whether or not oats ought to be included in the bill is a close one. Oats is not in surplus supply. It is produced for hay and pasture as well as for grain, and is used as a cover crop also. In these respects it differs from the other three important feed grains.

On the other hand, oats can be substituted for the other grains to some extent. Also, it is possible that many farmers who produce oats would prefer to have the added flexibility of having their base acreages of all feed grains, including oats, combined.

On balance, however, it seems desirable not to include oats in the program. This will eliminate any uncertainty about whether or not farmers who use oats as pasture, as hay, or as a cover crop can continue their usual operations. With oats excluded there should be no question of an adequate supply or of continuation of the customary uses made of oats.

Rye would continue to be included under the feed-grain section of the bill at the discretion of the Secretary. In certain sections of the country this would be desirable, and that the opportunity for the Secretary to include rye ought to remain in the bill, with the understanding that it could be applied in certain sections of the country without necessarily being applied nationally.

Mr. Chairman, many members of the committee have asked me about another amendment that I shall introduce as soon as I can be recognized after the consideration of this amendment. The second amendment concerns the use of diverted acres so that we can maintain on them conservation uses that will keep the land free from erosion, weeds, insects, and rodents, as approved by the Secretary. Many of you have asked me about that particular amendment, and I would like to say that I shall offer it after the discussion of this particular amendment, which, as stated by the reading, will eliminate oats from the provision of the feed grain bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. HAGEN of California. Would the gentleman describe this as the wild oats amendment?

Mr. MATTHEWS. I would not know exactly how to answer the gentleman except to say that I do not believe so. I think all of us realize that many of our farmers have planted oats for grazing. Oats are not in surplus supply. There is less than one-fourth year's supply on hand. In the committee we talked about many farmers who produced oats and raised them, but they never harvested the oats, and we did not want any question at all about this idea that the farmer or the rancher could plant all the oats he wants to for grazing and that these oats will not come under the provisions of this bill if it is passed.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Nebraska.

Mr. BEERMANN. The gentleman said we only had a one-fourth year supply on hand. Since we only have a half year's supply of corn on hand, what would the gentleman's definition of "surplus" be?

Mr. MATTHEWS. In this instance I would say that oats represent an entirely different type of crop than corn, because oats are used as pasture. Oats can be used as hay and can be used as a cover crop. This situation, I think, in the future will not present any problem at all like the situation with the other feed grains.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman from Florida [Mr. MATTHEWS] had discussed this amendment with me, and I am certain with other members of the committee. Not in an effort to gain any votes, I see no objection to accepting the amendment, and I hope there will not be any objection to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. GROSS. Was this amendment considered in committee?

Mr. MATTHEWS. We talked about it at considerable length, but not the exact language of this amendment before the full committee, as I recall.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the distinguished gentleman from Indiana.

Mr. HARVEY of Indiana. Would this apply to all oats grown for all purposes, or just for pasture?

Mr. MATTHEWS. It would be my understanding that it would apply to oats grown for all purposes.

Mr. HARVEY of Indiana. Well, I certainly would be opposed to it.

Mr. MATTHEWS. In other words, it would exclude oats from the provisions of the bill. We have recognized here this afternoon many times the need for giving our farmers flexibility of operation, giving them as much freedom within bounds of regulation as we can. It would seem to me, Mr. Chairman, that this is a wonderful opportunity to give the farmer more flexibility in his feed grain operations.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Would the oats raised in 1959–60 count toward the base?

Mr. MATTHEWS. No; this would have nothing to do with the base acreage, if this amendment is passed. Oats would not come under the provisions of this bill.

Mr. SMITH of Iowa. In other words, this would reduce the feed grain base acreage on the farm by the average amount that was planted to oats in 1959 and 1960.

Mr. MATTHEWS. I think the answer to that question is "Yes".

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. ROOSEVELT. May I ask my friend, the gentleman from Florida [Mr. MATTHEWS], if we exclude oats on the ground that there is no surplus in oats, would we not just turn around and invite those who are not now growing oats to plant oats and thereby create a surplus of oats?

Mr. MATTHEWS. I would like to say to the gentleman from California that the real reason for excluding oats is the fact that they have always been used largely as pasturage.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title IV and all amendments thereto close at 5:45.

Mr. SMITH of Iowa. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title IV and all amendments thereto close at 6 o'clock.

Mr. SMITH of Iowa. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate close at 6 o'clock on title IV and all amendments thereto.

The motion was agreed to.

Mr. AVERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. Could the Chair advise the Members as to how many more amendments are pending at the desk on this title, since we voted to close debate?

The CHAIRMAN. The Chair has no idea how many amendments will be offered.

Mr. AVERY. My inquiry, Mr. Chairman, was directed at the number of amendments now at the desk.

The CHAIRMAN. The Chair has no way of knowing that.

Mr. McINTIRE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McINTIRE. Mr. Chairman, may I move to strike the requisite number of words in relation to the amendment which has been offered by the gentleman from Florida?

The CHAIRMAN. The gentleman may do that.

Mr. McINTIRE. Mr. Chairman, I would like to inquire of the gentleman from Florida relative to his amendment. If his amendment is approved what is the status of the commodity oats in relation to price support?

Mr. MATTHEWS. If the gentleman will yield, it is my understanding that the price support would be at the discretion of the Secretary, as it is at the present time.

Mr. McINTIRE. Mr. Chairman, may I inquire of the chairman of the committee as to a clarification of the status of the commodity of oats?

Mr. MATTHEWS. Mr. Chairman, if the gentleman will yield further, let me repeat, if the gentleman will permit, that it is my understanding the status of oats would be as it is at the present time, at the discretion of the Secretary.

I would like for the gentleman to yield to the chairman of the committee if there is any other information which the gentleman might supply in addition to what I have stated.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Texas.

Mr. POAGE. I think the gentleman from Florida [Mr. MATTHEWS] is very correct in stating that this amendment takes oats out from under the terms of this bill.

Therefore, oats would remain exactly as they are today. Oats today are presently supported at the discretion of the Secretary. They would remain exactly in that situation.

Mr. McINTIRE. That would be under title III of the Agriculture Act of 1949.

Mr. POAGE. That is right.

Mr. McINTIRE. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. The motion to close debate on title IV and all amendments thereto at 6 o'clock, Would that foreclose any amendments that may be offered at the end of the bill?

The CHAIRMAN. It would not foreclose the offering of amendments. However, debate on title IV would not continue beyond 6 o'clock.

Mr. JENSEN. Mr. Chairman, a further inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. Title IV is not the final section of this bill, is it?

The CHAIRMAN. That is right; there is another title, as the gentleman knows.

Mr. JENSEN. Yes, to be debated after 6 o'clock?

The CHAIRMAN. It may be after 6 o'clock. We are talking now about title IV.

Mr. JENSEN. My question was, Mr. Chairman, Would amendments be considered in order which might be offered following title IV?

The CHAIRMAN. They could be. Six o'clock has been fixed as the time for the conclusion of debate on title IV only, not on the entire bill.

Mr. JENSEN. I thank the Chair.

Mr. QUIE. Mr. Chairman, I rise in support of the Hoeven substitute. .

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I would like to remind the Committee that we are still considering the Hoeven substitute to title IV. I would like to talk about the Hoeven substitute because with all the trouble we are in with title IV, here is a good solution. The Hoeven substitute would come in place of all these provisions here, about which we have gotten into so much difficulty. There are four things it would do:

First. It would extend the present emergency wheat program for 1 year.

Second. It would extend the emergency feed grains program for 1 year, with some changes, which I shall explain.

Third. It would permit a farmer who did not raise anything on his feed grain acres next year to go to the Commodity Credit Corporation and buy a like amount of feed grains at a bargain price, thereby drawing down the amount in surplus.

Fourth. It would permit the present conservation reserve contracts to continue so that the 27 million acres that are presently out of production in the conservation reserve would continue to stay out of production rather than to come in and provide another glut on the market which would practically eliminate any reduction that the feed grains program we are considering today would do.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. QUIE] has expired.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to continue for a full 5 minutes. I have not had the opportunity to discuss the Hoeven substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. MASON. Mr. Chairman, I will have to object.

Mr. KYL. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Minnesota.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. MASON. Mr. Chairman, I have to object to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MATTHEWS].

The question was taken; and on a division (demanded by Mr. MATTHEWS) there were—ayes 90, noes 104.

Mr. MATTHEWS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MATTHEWS and Mr. HOEVEN.

The Committee again divided and the tellers reported that there were—ayes 148, noes 106.

So the amendment was agreed to.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWEEN: On page 45, line 3, strike out "price support for each crop of corn" and substitute "if marketing quotas for any crop of feed grains are not disapproved by producers, price support for corn of such crop".

On page 45, between lines 15 and 16, insert the following new paragraph:

"(2) if marketing quotas for any crop of feed grains are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines is appropriate after consideration of the factors specified in section 401(b) and will not result in a material increase in Commodity Credit Corporation stocks of feed grains.

On page 45, line 16, renumber paragraph (2) as pargaraph (3).

On page 45, beginning with line 23, strike out down through line 25, and substitute the following:

"(4) price support for feed grains shall be made available only to cooperators."

On page 46, beginning with line 1, strike out down through line 3.

On page 46, line 4, insert at the beginning of paragraph (5) the following:

"if marketing quotas are in effect for the crop of feed grains."

On page 46, line 13, after the period insert the following: "If markeing quotas are not in effect for the crop of feed grains, a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains."

On page 46, between lines 13 and 14, insert the following:

"(6) the term 'feed grains', as used in this section, means feed grains as defined in section 301 of the Agricultural Adjustment Act of 1938, as amended."

On page 80, line 6, immediately preceding "price support" insert "if marketing quotas are in effect for wheat".

On page 80, lines 12–13, strike out "if marketing quotas are in effect for the crop of wheat".

On page 80, beginning with line 15, strike out down through line 17 and substitute the following:

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines is appropriate after consideration of the factors specified in section 401(b) and will not result in a material increase in Commodity Credit Corporation stocks of wheat."

On page 80, line 21, at the beginning of paragraph (6) insert the following: "if marketing quotas are in effect for the crop of wheat,".

On page 81, line 6, after the period insert the following: "If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat."

On page 47, line 1, beginning after the comma, strike out down through line 6 and substitute the following: "if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges,"

On page 81, line 16, beginning after the comma, strike out down through line 21 and substitute the following: "the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges."

(Mr. McSWEEN asked and was given permission to revise and extend his remarks.)

Mr. McSWEEN. Mr. Chairman, I shall be brief and will yield for any questions any Member may have on this amendment.

Mr. Chairman, the charge has been leveled against this bill basically that it provides either for regimentation or ruin. While I do not agree completely with that charge I would say that under the terms of this amendment farmers would have a choice under the bill of either participation or protest rather than regimentation or ruin.

Mr. Chairman, this takes care of the situation in the event the referendums are not carried. In such event this amendment would provide price support for wheat and feed grains at not to exceed 50 percent of parity. Surplus stocks would also be insulated to the extent that there would be a minimum sales price of 105 percent of support price plus carrying charges. This would give the farmers a reasonable choice between either voting for the program or voting against the program. This would mean there would not be a harsh choice, and there would not be the dumping threat. I urge the adoption of the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. Mr. Chairman, I have an amendment which is a substitute for the McSween amendment. Would it be proper for me to offer that now before the McSween amendment is voted on?

The CHAIRMAN. It would be.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ANDERSEN of Minnesota moves that the Committee do now rise and report the bill back to the House with instructions that the enacting clause be stricken.

Mr. ANDERSEN of Minnesota. Mr. Chairman, earlier in the afternoon I had announced that if a motion to recommit failed it was my intention to vote for this bill on final passage. Now that the bill has been gutted with exceptions and exemptions, first in the 40-acre provision, in the ensilage provision, and in the oats provision, this is now becoming a mockery, and I will have nothing to do with the passage of this bill.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. ANDERSEN].

The preferential motion was rejected.

Mr. QUIE. Mr. Chairman, I offer a substitute for the McSween amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE as a substitute for the amendment offered by Mr. McSWEEN: Page 46, line 1, strike lines 1 through 3 and insert the following:

"(4) Notwithstanding any other provision of law, if marketing quotas for feed grains are disapproved by producers, price support shall be made available at 50 per centum of the parity price to all producers and the Commodity Credit Corporation shall not sell any feed grains for unrestricted use at less than 80 per centum of the parity price of such feed grains; and".

Page 46, line 24, strike lines 24 and 25.

Page 47, line 1, strike lines 1 through 6.

Page 80, line 15, strike lines 15 through 17 and insert the following:

"(4) Notwithstanding any other provision of law, if marketing quotas on wheat are disapproved by producers, price support shall be made available at 50 per centum of the parity price to all producers and the Commodity Credit Corporation shall not sell any wheat for unrestricted use at less than 80 per centum of the parity price of wheat;".

Page 81, line 14, strike lines 14 through 21.

Mr. QUIE. Mr. Chairman, the Members can understand from a reading of the amendment just what it means. If a referendum is turned down, the farmers get 50 percent of parity, and CCC cannot dispose of surpluses until the market price reaches 80 percent of parity, thereby preventing CCC from depressing the price to the detriment of the farmers.

In the Hoeven substitute there is a provision for the extension of the 1961–62 feed grain program. This gives an opportunity for all farmers to receive a payment in kind in place of price supports, amounting to 15 cents per bushel. A farmer who feeds his grain to his livestock, if he complies, has to seal his grain under the present feed grain law, and then buy from the Commodity Credit storage at market price. This means a transfer of grain since a farmer receives $1.20 for putting his grain in CCC storage and has been able to buy corn for less than $1. This would eliminate that and would enable all farmers, whether they are cash grain farmers or feeding their own livestock to be able to get the benefit of the program if they comply. There will be no price supports, no diversion payments for anybody who does not comply with the program. It would give a benefit to those who do comply, and there will be no benefits to those who do not comply.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. QUIE].

The substitute was rejected.

Mr. DOMINICK. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. DOMINICK as an amendment to the amendment offered by Mr. MCSWEEN: Page 47, line 3, after the word "Corporation", strike out "may sell" and all that follows down through the end of line 6 and insert: "may not sell from its stocks during such marketing year any feed grains except as specifically authorized under the National School Lunch Act, or under the Agricultural Trade Development and Assistance Act of 1954, or as authorized by current mutual security programs, by the fifth sentence of this section, or by section 416 hereof, or for disaster relief."

Page 81, line 18, after the word "Corporation", strike out "may sell" and all that follows down through the end of line 21 and insert: "may not sell from its stocks during such marketing year any wheat except as specifically authorized under the National School Lunch Act, or under the Agricultural Trade Development and Assistance Act of 1954, or as authorized by current mutual security programs, by the fifth sentence of this section, or by section 416 hereof, or for disaster relief."

Mr. DOMINICK. Mr. Chairman, we have been listening here for 3 days to the Democrats saying that this is not a compulsory program. They have said that two-thirds of the people who vote on this have a choice of voting it up or down. But, the fact remains this it is not a free choice. If the farmers vote the program down, they are then faced with no supports but with a Secretary who can come in and dump surplus supplies on the market thus ruining the only available market. What I have tried to do here, Mr. Chairman, is very simple. The amendment would simply prohibit the Secretary of Agriculture if the program is defeated by vote of the farmers from dumping surplus commodities on the free market in competition with the farmers. He could still dispose of the surplus through Public Law 480, through disaster relief, the school lunch program, and all of the other mechanisms. If the producers vote down the program proposed under this bill, if his amendment is adopted, they would then be free of controls and free of the existing competition from the Government itself. It seems to me that this amendment will accomplish the results we have heard noise about but seen no action on. If you are going to have a free market, you have to restrict your Secretary from artifically affecting that market by the action he takes in connection with surplus commodities. If we are going to give the farmer a real voting choice if strict production and acreage controls with supports on the one hand, or freedom from Government controls with no supports on the other, the Secretary must be restrained from artifically depressing the market by threatening to dump surplus on the market. Let us give our farmers a real choice instead of a choice between shotguns and slow strangulation.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Colorado [Mr. DOMINICK].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. MCSWEEN].

The question was taken; and on a division (demanded by Mr. MCSWEEN) there were—ayes 132, noes 99.

So the amendment was agreed to.

The CHAIRMAN. The gentleman frm Texas [Mr. POAGE] is recognized.

Mr. POAGE. Mr. Chairman, I rise in opposition to the Hoeven substitute.

Mr. Chairman, I would use this moment to present two witnesses, one of whom is Carl Byoir Associates of New York City. I hold here a letter dated June 6, 1962, addressed "For Cargill, Inc.," in which it says that on behalf of Cargill, Inc., one of the many organizations whom it represents, they submit this proposition which they say will be offered:

It is understood that Congressman QUIE, of Minnesota, and probably others of the House Agriculture Committee, will introduce legislation along these lines.

Mr. Chairman, the "lines" seem to be exactly that of the Hoeven substitute. I assume, therefore, that the Hoeven substitute must be the proposition that is proposed by these advertising associates of New York in behalf of Cargill, Inc.

Mr. Chairman, I would call one further witness, one who has been a hostile witness from time to time, and with whom I have often differed. I am happy to find the Farm Bureau is, at this time, in full accord with my views and in opposition to the Hoeven substitute.

The CHAIRMAN. The gentleman from Kansas [Mr. BREEDING] is recognized.

Mr. BREEDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BREEDING: On page 36, line 22, after "farm" insert a colon and the following: *"Provided*, That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

On page 61, line 14, after "farm" insert a colon and the following: *"Provided*, That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

(Mr. BREEDING asked and was given permission to revise and extend his remarks.)

Mr. BREEDING. Mr. Chairman, there is a provision in the present act today that does cause considerable agitation at the ASC committee offices at home. I would like to give the Members this example and show them why this amendment is offered.

The proposed wheat and feed grains program would provide acreage allotments for the two crops, and would require that farmers divert a certain acreage to other specified and limited uses. The bill would also require farmers to maintain in addition to the diverted acreage, the acreage in conserving crops or practices—grass, legumes, summer fallow—which they had in the base period.

A similar requirement is included in the temporary programs for feed grains and wheat which are now in effect and has led to some difficulty of administration. Consider a wheat farmer with 300 acres of cropland—including a 200-acre allotment in 1959 and 1960 and 100 acres of summer fallow. This farmer decided for reasons of his own to underplant his acreage allotment in those years and to summer fallow a larger acreage than had been his practice. He planted 150 acres of wheat—50 acres below his allotment—and had 150 acres of summer fallow. This larger summer fallow acreage became a part of the farmers' conserving acreage requirement under the 1962 wheat program.

Under the 1962 program, he had an acreage allotment of 180 acres—a reduction of 10 percent—and was required to divert 20 acres to conserving uses. Since he had 150 acres in conserving uses in 1959 and 1960, as described above, he appears to be required to maintain that acreage also.

But when you add together his 180 acres of wheat allotment for 1962, his 20-acre diversion requirement and the 150-acre conserving requirement, it totals 350 acres. This is 50 acres more than the farmer has.

The logical way to solve this problem is to adjust the farmers' conserving requirement back to normal, so that he is not required to plow up part of his wheat allotment, in order to have enough acreage to meet the "conserving" requirement.

Now, Mr. Chairman, I would like to direct my attention to wheat, bread, and flour prices.

A question was raised in the debate on H.R. 11222 on Tuesday of this week concerning the price of wheat in 1963 under the marketing certificate program and the relationship of the price of wheat to the price of flour and bread. The argument was made that the bill puts a bread tax on consumers and that it would cost American consumers an additional $164 milion each year compared with the present system.

These statements are not true. They are based upon a misunderstanding of the wheat bill. This has been recognized by the millers and bakers of this country. Through their responsible organizations they have stated that there is no cause for concern that the price of flour or bread would be increased as a result of the wheat marketing certificate program.

I quote from the Southwestern Miller of April 17:

The concern of the baking industry over the imposition of a bread tax through the certificate plan for wheat has been dispelled by action in both the House Committee on Agriculture and through assurances from the office of Secretary of Agriculture Freeman, it is indicated in a bulletin issued by the American Bakers Association.

The Secretary of Agriculture has also sent a letter to the chairman of the Wheat Subcommittee of the House Committee on Agriculture restating his assurance that the price support level for wheat, including the marketing certificates in 1963, would be at about the same level as for 1962—$2 per bushel.

Members of Congress ought to be aware also of the very distant relationship of the price of bread to the price of wheat. From 1947 to 1959 the retail price of a 1-pound loaf of bread rose from 12.5 cents to about 20 cents. In that time the farm value of wheat in that loaf of bread declined from 3 cents to 2.3 cents.

The claim has been made that the proposed wheat program would add 1 cent to the price of a 1-pound loaf of bread. The facts are that the farm price of wheat would have to be increased by approximately one-third before a cent increase in the price of bread could be justified on the basis of higher wheat prices.

Since no increase in wheat prices is indicated next year, claims that bread prices will be raised by this farm bill are in error.

Mr. Chairman, a letter written to me by the Secretary of Agriculture follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 20, 1962.

Hon. J. FLOYD BREEDING,
House of Representatives,
Washington, D.C.

DEAR MR. BREEDING: An improved wheat program is a key feature of the pending farm bill. You and your subcommittee have amended and approved the original bill to make it more acceptable to farmers and the grain industry and more attractive to consumers and taxpayers.

Objections to the wheat program have been minor. One misunderstanding remains, however, and ought to be cleared up.

This wheat program would not increase flour and bread prices. The range of price supports for wheat would not be changed by the bill, but would remain between 75 and 90 percent of parity. I have assured the Congress in public hearings that the price support level for certificate wheat in 1963 would be near $2 per bushel—the 1962 support price. There is nothing in the bill, therefore, which can be construed as leading to an increase in the price of bread or flour.

Sincerely yours,
ORVILLE L. FREEMAN,
Secretary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. BREEDING].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 38, line 19, strike out subsection (f) and insert:

"(f) During the crop years 1963, 1964, and 1965, the diverted acreage may be grazed at the producer's option, but no payment shall be made for acreage which is grazed."

On page 35, line 5, strike out paragraph (3) and insert:

"(3) Beginning with the crop year 1966, the Secretary may, pursuant to regulations prescribed by him, permit the diverted acreage to be grazed in order to alleviate hardship arising from drought, floods, or other emergency condition."

Mr. JENNINGS. Mr. Chairman, as the amendment says, it would permit at the option of the producer, grazing the acreage that he takes out of production in lieu of payments. It is merely an option for the years in which he is going to receive payments. Under the revision now he will receive payments based upon 50 percent for the years 1963, 1964, and 1965. This gives him the option of grazing those acres in lieu of payments.

Mr. Chairman, it is a good amendment. It provides more freedom. I recommend the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JENNINGS].

The question was taken; and on a division (demanded by Mr. KYL) there were—ayes 126, noes 109.

So the amendment was agreed to.

The CHAIRMAN. The time for debate on title IV has expired.

Mr. NELSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. NELSEN moves that the Committee do now rise and report H.R. 11222 back to the House with the recommendation that the enacting clause be stricken.

Mr. NELSEN. Mr. Chairman, I have been waiting patiently for 2 days, for an opportunity to offer an amendment or two to a farm bill. Farming happens to be my business. Yet I am being denied a reasonable opportunity because of action closing debate on title IV. This denies me an opportunity to speak in support of amendments that I think would help a bill and a law with which I have to live. It is easy to legislate for farmers in Brooklyn. My neighbors with me live with these bills that we pass in this Congress. It is our bread and butter, living on the farm. Now we are being gagged, giving us little time to properly consider these amendments. We have listened to amendments for 2 days from a committee that has been sitting for months. These amendments are being offered and we are denied the opportunity to properly consider them with all the facts before us. I protest this type of legislating.

I have been in legislative work since 1935 and never in my life have I seen a performance or better stated, a circus, such as we have witnessed on this floor on important legislation for the farmers of America. The Midwest will suffer because of what has been done.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the preferential motion.

I have two amendments at the desk. One of the amendments I think goes to the heart of the amendment mentioned by the gentleman from Minnesota. I think he indicated that he wants to use a 5-year history instead of a 2-year history to determine the acreage allotments. That will not work, because during 1 or 2 of those years they did not have sufficient records.

I have an amendment on that subject which I think is meritorious. It would use in addition to the 2-year history other factors that were used in 1957 and 1958 in the acreage reserve program. It would be inconsistent with the other programs such as soil conservation programs to use a 2-year history as practically the only criteria for determining these allotments. It would permanently write into the law something that is basically unfair.

The other amendment is to provide that during the first year, it would be a voluntary program. I say it is utterly impossible in the next 60 days to find out what is in this bill, to interpret it, explain it to the farmers, set allotments, determine who is exempt and who is eligible to vote, and then have a proper election. Feed grain farmers are entitled to a year to find out how this bill would work and especially what has been done under the silage amendment, which will open the floodgates and surely result in unfair reduction of allotments by other farmers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from North Carolina.

Mr. COOLEY. I want to ask the gentleman from Minnesota [Mr. NELSEN] if he was ever denied the right to offer amendments in the committee room or to come there and offer amendments for consideration by the committee.

Mr. NELSEN. I have been sitting here 2 days to urge consideration of my amendment. The doors were closed for proper discussion of these amendments.

Mr. COOLEY. When the gentleman got his 5 minutes, instead of talking about his amendment, as did the gentleman from Iowa, he started a tirade against the committee.

Mr. NELSEN. I have been courteous to you, Mr. Chairman, properly yielding to committee members, but many Members not on Agriculture, have not had an adequate opportunity to offer amendments for consideration.

Mr. SMITH of Iowa. I urge that you listen to these two amendments I will offer. I am sure they would help the bill and are meritorious.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota.

The motion was rejected.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON——

Mr. THOMSON of Wisconsin. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THOMSON of Wisconsin. The amendment the gentleman is offering is to title IV, and under the gag rule imposed on this House time has expired and the amendment is out of order.

The CHAIRMAN. In view of the fact that the amendment has not been reported, the Chair has no knowledge of what it contains.

Mr. ROOSEVELT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROOSEVELT. Are all amendments at the desk to be read and acted upon that deal with title IV?

The CHAIRMAN. Only if the Members who sent the amendments to the desk rise in their places and request that the amendments be considered.

Mr. MAHON. How can gentlemen get recognition in order to do that? The gentleman from Texas has four or five amendments at the desk.

The CHAIRMAN. The gentleman was recognized three or four times, and I am sure he will rise when the appropriate time comes. Then he will be recognized.

The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 88, line 3, after "this section" insert a new section to be numbered "SEC 438," to read as follows:

SEC. 438. Section 8c(5) of The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended as follows: (1) By redesignating paragraphs (D), (E), (F), and (G) of section 8c(5) as (E), (F), (G), and (H), respectively, and by inserting after paragraph (C) of such section the following new paragraph:

"'(D) Providing for the payment by handlers (not otherwise subject to the pricing provisions of the order) in an amount not greater than the difference between the minimum prices based on use classification established pursuant to paragraph (A) of this subsection and the price of milk in the lowest use classification, for any milk or milk products sold by such handlers in the area subject to the order. Such payments shall be made to the fund established pursuant to paragraph (C) of this subsection: *Provided, however,* That such payments shall not be required if a handler chooses, if so eligible, to comply with all other provisions of the order. No payments shall be required hereunder if any provision of the order is based on the provisions of paragraph (B) (1) of this subsection.'

"(2) Section 8c(5) of such Act is further amended by inserting before the period at the end of the last paragraph thereof the following: ': *Provided, however,* That the provisions of this paragraph shall not prevent the making of payments under paragraph (D) of this subsection'.

"(3) Section 8(c) of such Act is amended by adding at the end thereof the following:

"'(20) All provisions of orders in effect on the date of enactment of this subsection, relating to payments such as are provided in paragraph (D) of subsection (5), are hereby validated, and shall have full force and effect.'"

Mr. STRATTON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. CURTIS of Missouri. I object.

The Clerk concluded the reading of the amendment.

Mr. STRATTON. Mr. Chairman, this is the dairy amendment which I said yesterday I would offer to restore the integrity of the New York-New Jersey milk marketing order No. 2, protect the income of our dairy farmers, and assure the statutory basis of the so-called compensatory payments feature of the order thrown out the other day by the Supreme Court.

Let us make no mistake about this. If you want to help the dairy farmers of New York and not just talk about it, here is your chance to do it. We can only correct the Supreme Court's action by legislative action, and we all know that unless such legislation is adopted now as a part of the pending farm bill, there will be virtually no chance of the adoption of any separate legislation on this urgent matter during the balance of this session, and before the problem facing our New York State dairy farmers becomes urgent. If we hope to rely merely on administrative action to deal with this problem, then we will find that this administrative relief will come too slowly, and will not be enough to meet the needs of our New York State dairy farmers.

This fact is demonstrated, Mr. Chairman, by the following letter received by the chairman of the committee from the Secretary of Agriculture, which I include at this point:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 21, 1962.

Hon. HAROLD D. COOLEY,
House of Representatives.

DEAR MR. COOLEY: This is in reply to your request for the views of the Department of Agriculture concerning an amendment to the pending farm bill proposed by Congressman SAMUEL STRATTON to amend the Agricultural Marketing Agreement Act of 1937 with respect to compensatory payment provisions in milk marketing orders.

The compensatory payment provisions in the New York-New Jersey milk order were invalidated by the U.S. Supreme Court in its decision on the Lehigh Valley case June 4, 1962. This decision, although related to the provisions in the New York-New Jersey milk order, is of such a nature as to have an impact on the compensatory payment regulations in other markets.

The Department of Agriculture fully supports the objective of maintaining orderly marketing conditions in the New York-New Jersey market and in other markets and is deeply concerned with the effect which the Supreme Court decision may have upon these markets. The problems raised by the Supreme Court decision have not yet been fully evaluated. The case will be remanded to the district court for final disposition. The full evaluation by officials of the Department of Justice and the Department of Agriculture by reason of the complex nature of the decision and the complexities of milk marketing has not been completed and may necessarily be affected by such final action as the district court takes.

The Secretary of Agriculture has announced the appointment of a committee of industry leaders in the New York-New Jersey area to advise with the Department as to the steps which may be taken to avoid disruption of orderly marketing of milk in that area. It is necessary in this connection to consider the nature and scope of administrative action which may be taken within the framework of the statutory authority in the light of the Supreme Court decision, as well as the nature of legislative action which may be necessary.

We understand that proposals for administrative action have been prepared for submission to the Department by substantial producer groups in the New York-New Jersey market. An analysis of the possibility for administrative action contained in such proposals will have to be made in the light of the Supreme Court decision. In the meantime the Department will take such administrative action to avoid disruption of marketing as is determined to be feasible.

Moreover, there is serious division within the dairy industry over this issue. We expect that the conflict between the contesting dairy interests involved in the Lehigh Valley case would extend throughout the dairy industry generally in reaction to the proposed legislation.

For these reasons the Department feels that legislative action would be premature at this time.

The Department, in addition to being deeply concerned about this matter, is also deeply concerned about other aspects of the dairy problem. We believe there is an urgent need for action by Congress to restore milk prices and dairy farm income to a more adequate level and to deal with the increasingly serious problem of surplus milk supplies which is rapidly approaching emergency proportions. Therefore, in view of the need for more adequate appraisal of the effect of the Supreme Court decision in the Lehigh Valley case and in view of the urgent need of legislative action on the overall dairy problem, I strongly urge that Mr. STRATTON'S proposed amendment to the pending bill is withdrawn at this time and that it be considered along with other proposals for improving the dairy program at hearings of your committee at the very earliest opportunity. The Department urges and will strongly support prompt action during the current session of Congress on these pressing problems in the dairy industry.

ORVILLE L. FREEMAN,
Secretary.

I am glad to see, Mr. Chairman, that as a result of my amendment and my efforts to get legislative relief for our New York dairy farmers, the Secretary is now prepared to pledge that "in the meantime the Department will take such administrative action to avoid disruption of marketing as is determined to be feasible."

What this means is that we may get some help to stave off some of the more serious results of the Supreme Court action, and I am glad to have helped to bring that about. But you can see from a careful reading of the Secretary's letter that it will be a long, long time after a hearing, and after further action in the district court—that any adequate action will be taken. I am also concerned by the Secretary's reference to "serious division within the dairy industry over this issue." The only "serious division" that can exist within the dairy industry on this issue cannot lie within New York State, because all of the four major dairy cooperatives in the State have appealed to Washington for prompt and speedy relief from the economic threat posed by the Supreme Court decision. The only opposition to the kind of relief which my amendment offers comes from those outside New York State who now view this Court decision as a fresh opportunity on their part to move into the New York milk market, just as they have been trying to do in connection with their efforts to enact the national milk sanitation bill into law—unsuccessfully, I am happy to report, as the result of my action in helping to kill this undesirable bill in committee last year.

These midwestern milk producers, of course, do oppose my efforts to restore the compensatory payment procedure. They hope the whole New York order will break down in the wake of the court decision, and then they can begin to

flood our markets with their tired midwestern milk.

Mr. Chairman, if the Secretary of Agriculture intends not to take any corrective administrative action on this matter that will not be opposed by these midwestern interests, then it is even more clear that any real relief for our New York State dairy farmers must come by legislation, and it must come as a part of the bill before us today, not 2 weeks or 2 months from now.

May I add, too, Mr. Chairman, that in spite of Secretary Freeman's suggestion, I have not the slightest intention of withdrawing my amendment. It is our job as Members of Congress to determine what legislation to offer and support. I intend to continue to exercise those duties in my own case in line with my own conscience and with the interests of the people of upstate New York, whom I have the honor to represent.

Now, Mr. Chairman, yesterday when I first advised the members of the committee of my intention to introduce this amendment, I commented on the fact that I was surprised not to have heard favorably on my amendment from the Governor of New York. I advised the committee that I had wired him to challenge him to reply to me here by noon today whether he was prepared to support my amendment to help our New York dairy farmers and would also enlist for my amendment the support of the Republican Members of Congress from New York.

I can now advise the members of the committee that I have received a telegram from Albany in response to my wire. It did not come from Mr. Rockefeller, but rather from Mr. Don J. Wickham, the New York State commissioner of agriculture. I include Commissioner Wickham's wire at this point:

ALBANY, N.Y., *June 21, 1962.*

Hon. SAMUEL S. STRATTON,
Member of Congress,
House of Representatives Office Building,
Washington, D.C.:

Your attempt to make capital out of the serious situation faced by New York and New Jersey dairy farmers because of the recent Supreme Court decision relating to compensatory payments is a disservice to the farmers of this region. I am sure that the dairy farmers and the dairy industry of New York State know of Governor Rockefeller's efforts to have President Kennedy and Secretary Freeman take prompt action to prevent disruption of the orderly marketing of milk in the New York-New Jersey market.

Governor Rockefeller's telegram to the President of June 12 strongly urged him to take administrative or legislative steps to counteract the damage that can result from the Supreme Court decision. Subsequently, the Secretary of Agriculture named a committee to study the situation, which I am informed, will make specific recommendations to him next Tuesday. Your telegram clearly reveals that you are either unaware of, or you have chosen to ignore, the facts that the immediacy of the problem requires prompt administrative action by the Department of Agriculture. I am confident that this approach, which has the support of Governor Hughes of New Jersey and Governor Rockefeller is sounder than a hastily conceived amendment tacked on a farm bill opposed by an overwhelming number of New York farmers. Most dairymen are unfamiliar with your proposed amendment to the farm bill and would have no opportunity to be heard on it. The Secretary's committee deserves the right to have its recommendations received and acted upon.

DON J. WICKHAM.

Mr. Chairman, this message from the Rockefeller administration is so much political doubletalk.

If the Governor really wants some legislative relief for our New York State farmers, as the commissioner's telegram says, then there is no other way to get legislative relief except through Congress. I would remind him that neither Secretary Freeman nor President Kennedy can provide legislative relief. Congress alone has the power to legislate. And, as I have already indicated, the practical fact of the matter is that either we in Congress take this corrective legislative action today as a part of this farm bill, or else we get no legislative action.

If, on the other hand, the Governor wants only administrative action, then, as I have already pointed out in discussing the Secretary's letter, administrative action will come too late, and in any event will not be adequate to meet the wishes and desires of our New York State farmers.

Commissioner Wickham says the dairy farmers of New York do not know how they feel about the Stratton amendment. Mr. Chairman, this is of course ridiculous, since my amendment would simply restore the status of the New York-New Jersey milk marketing order No. 2 to what it was prior to the action of the Supreme Court on June 4—which is obviously what all New York farmers want, since the Court's action has deeply upset all of them.

The only opposition to the Stratton amendment comes, as I have indicated, from those producers outside the New York area, especially those in the Midwest, who have been trying for years to disrupt our stable milk market order area and flood it with their tired midwestern milk.

I am a little bit surprised to find from the commissioner's telegram that Mr. Rockefeller and the Republican State agriculture department are now siding with these midwestern dairy interests against the Stratton amendment and the protection it affords to our New York State farmers. This is an incredible situation, that the Governor of a State should oppose the interests of his own farmers and should side instead with those who would undermine their economic welfare.

I can only conclude that Mr. Rockefeller is willing to sell New York State dairy farmers down the river because he is unwilling to risk the loss of a few midwestern votes in his current campaign for the Presidency.

Mr. Chairman, if my amendment does not prevail then someone else will have to take the blame for any chaos that ensues as a result of the Supreme Court order. As a Member of Congress I have tried to do my best to help. I urge the support of all my colleagues in restoring the welfare of our dairy farmers in the Empire State of New York.

Mr. QUIE. Mr. Chairman, this amendment puts the House into a completely new and unexplored area. The amendment is a very long and complex one which requires the most careful study and scrutiny before being adopted.

The Supreme Court of the United States in the case of Lehigh Valley Co-op versus the United States interpreted a provision in the Agricultural Marketing Agreement Act of 1937 which was added by our late colleague, August Andersen, of Minnesota, many years ago. That opinion was rendered only a few days ago. Its impact is still unknown.

The Court did, however, leave the door open to further administrative changes which might hold some promise for the advocate of this amendment.

Whatever its merits may be, I feel that our Dairy and Poultry Subcommittee of our committee should certainly have the opportunity to hold complete and thorough hearings on the gentleman from New York's bill, and I will certainly encourage such hearings. It should not, however, be included in the bill at this time. In order that the Members might know what the case involves, I submit the Supreme Court decision for your consideration:

[Supreme Court of the United States—No. 79, October term, 1961]

LEHIGH VALLEY COOPERATIVE FARMERS, INC., ET AL., PETITIONERS, *v.* UNITED STATES ET AL.

(On writ of certiorari to the U.S. Court of Appeals for the Third Circuit)

(June 4, 1962)

Mr. Justice Harlan delivered the opinion of the Court.

Petitioners, operating milk processing plants in Pennsylvania, challenge the validity of certain "compensatory payment" provisions included in milk marketing orders affecting the New York-New Jersey area, which were promulgated by the Secretary of Agriculture under the authority granted him by section 8c of the Agricultural Marketing Agreement Act of 1937, 7 U.S.C., section 608c. That section permits the Secretary to issue regional regulations governing, in various enumerated respects, the marketing of certain agricultural commodities, among which is milk. This provision in question requires those who buy milk elsewhere and bring it into the region for sale as fluid milk to pay to the farmers who supply the region a fixed amount as a "compensatory payment." This amount is measured by the difference between the minimum price set by the Market Administrator for fluid milk and the minimum price for surplus milk. The judgment of the Court of Appeals for the Third Circuit, 287 F. 2d 726, upholding the validity of the "compensatory payment" provision here under attack,[1] conflicted with an earlier deci-

[1] The petitioners instituted this action challenging the validity of the compensatory payment provision by filing administrative petitions with the Secretary of Agriculture pursuant to sec. 8c(15)(A) of the Agricultural Marketing Agreement Act of 1937, 7 U.S.C., sec. 608c(15)(A). The hearing examiner sustained the petitioners' contentions on the authority of *Kass* v. *Brannan*, 196 F. 2d 791, but the judicial officer, acting on behalf of the Secretary of Agriculture, dismissed the petitions.

Petitioners then sought review of the Secretary's ruling in the district court under sec. 8c(15)(B) of the act. The review proceedings were consolidated with enforcement actions brought by the Government pursuant to sec. 8a(6) of the act. The district court,

sion rendered by the Court of Appeals for the Second Circuit, *Kass* v. *Brannan*, 196 F. 2d 791. To resolve this conflict we granted certiorari. 366 U.S. 957.

I. THE GENERAL SCHEME OF MILK REGULATION

The order around which the present controversy centers, now titled Milk Marketing Order No. 2 7 CFR sections 1002.1 et seq.,[2] though somewhat more complex than others, is in its general outline representative of the pattern of regulation established by the Secretary for the promotion of orderly marketing conditions in the milk industry and the preservation of minimum prices for farmers. Pursuant to the authority granted by section 8c(5)(A),[3] the order classifies milk that is sold within the New York-New Jersey marketing area "in accordance with the form in which or the purpose for which it is used." Milk that contains 3 to 5 percent butterfat—the usual proportion in ordinary liquid mlik—and is sold for fluid consumption is assigned to class I. Milk that is used for cream (sweet and sour), half and half, or milk drinks containing less than 3 percent or more than 5 percent butterfat is classified in class II. The remainder—milk that is to be stored for a substantial period and used for dairy products such as butter and cheese—is grouped in class III (7 CFR sec. 1002.37).

This classification reflects the relative prices usually commanded by the different forms of milk. Thus, highest prices are paid for milk used for fluid consumption, and the lowest for milk which is to be processed into butter and cheese. Since the supply of milk is always greater than the demands of the fluid-milk market, the excess must be channeled to the less desirable, lower priced outlets. It is in order to avoid destructive competition among milk producers for the premium outlets that the statute authorizes the Secretary to devise a method whereby uniform prices are paid by milk handlers to producers for all milk received, regardless of the form in which it leaves the plant and its ultimate use. Adjustments are then made among the handlers so that each eventually pays out-of-pocket an amount equal to the actual utilization value of the milk he has bought.

Under the marketing order here in question it is primarily the handlers whose plants are located within the marketing area and who regularly supply that area with fluid milk who are regulated. All handlers who receive or distribute milk within the area are required to submit monthly reports to the Market Administrator, listing the quantity of milk they have handled and the use for which it was sold. But only the handlers operating "pool plants"—i.e., plants which meet certain standards set out in 7 CFR sections 1002.25–1002.29 [4]—must pay the producers from whom they buy the uniform price set by the Administrator. This price is calculated each month on the basis of the reports that are submitted. After determining the minimum prices for each use classification pursuant to formulas set out in 7 CFR sections 1002.40, the Administrator computes an average price for the "pool" milk handled during that month. This figure is reached by first multiplying the "pool" milk disposed of in each class by the established minimum price for that class, and then adding the products to the "compensatory payments" made for nonpool milk. After certain minor adjustments are made, this sum is divided by the total quantity of "pool" milk sold in the market during the month. The quotient is a "blend price." With some adjustments to reflect transportation expenses, this uniform price must be paid to producers by all handlers maintaining "pool" plants (7 CFR sec. 1002.66).

Adjustments among handlers are made by way of a "Producer Settlement Fund," into which each handler contributes the excess of his "use value" [5] over the uniform price paid by him to his producer. Handlers whose "use value" of the milk they purchase is less than the "blend price" they are required to pay may withdraw the difference from the fund. The net effect is that each handler pays for his milk at the price he would have paid had it been earmarked at the outset for the use to which it was ultimately put. But the farmer who produces the milk is protected from the effects of competition for premium outlets since he is automatically allotted a proportional share of each of the different "use" markets.

II. THE COMPENSATORY PAYMENT PROVISION

It will thus be seen that this system of regulation contemplates economic controls only over pool-handler plants since only such handlers are required to pay the "blend price" to their producers and to account to the Producer Settlement Fund. If limited to the provisions recounted above, the regulatory scheme would not affect milk brought into the New York-New Jersey marketing area by handlers who are primarily engaged in supplying some other market and whose producers are not located within the New York-New Jersey area. Some of the regional orders now in effect do not undertake any economic regulation of "outside" or "other source" milk.[6] But it is quite obvious that under certain circumstances some regulation of such milk may be necessary. Accordingly, section 8c(7)(D) of the act, 7 U.S.C. section 608c(7)(D), authorizes the Secretary to include in his regulating orders conditions that are incidental to terms expressly authorized by the statute, and that are "necessary to effectuate the other provisions of such order."

A handler who brings outside milk into a marketing area may disrupt the regulatory scheme in at least two respects:

(1) Pool handlers in the marketing area who are required to pay the minimum class prices for their milk may find their selling prices undercut by those of nonpool handlers dealing in outside milk purchased at an unregulated price.

(2) Producers in the marketing area, whose blend price depends on how much of the relatively constant fluid-milk demand they supply in a given month, may find the outside milk occupying a portion of the premium market, thus displacing the pool milk and forcing it into the less rewarding surplus uses, with the ultimate effect of diminishing the blend price payable to producers.

In an effort to cope with these disruptive economic forces, the Secretary devised his "compensatory payment" plan. In essence the plan imposes special monetary exactions on handlers introducing outside milk for fluid consumption into a marketing area in months when there is a substantial surplus of milk on the market.[7]

Of the 68 regional milk orders which establish marketwide pools,[8] 64 contain "compensatory payment" provisions of one kind or another. The order now before us is typical of 23 of these orders.[9] The order provides that a handler who brings "outside" milk into the New York-New Jersey area and sells it for fluid use must pay to the pool's producers, through the producer settlement fund, an amount equal to the difference between the minimum prices for the highest and for the lowest use classifications prevailing in that area. In other words, for each hundredweight of nonpool milk sold for class I use in the New York-New Jersey area, a payment equal to the difference between class I and class III prices must be

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relying on *Kass* v. *Brannan, supra*, held that the payment provision was invalid. 183 F. Supp. 80. It was this decision that was reversed by the court of appeals. 287 F. 2d 726.

[2] A general reorganization of ch. IX of title 7 of the Code of Federal Regulations during the past year has resulted in redesignation of most of the milk marketing orders. The New York-New Jersey order had previously been designated as "Milk Marketing Order No. 27" and had been found at 7 CFR, sec. 927. The section references and the contents of the regulations as quoted throughout this opinion are as they were in effect on Jan. 1, 1962.

[3] Sec. 8c(5)(A) provides:

"(5) Milk and its products; terms and conditions of orders.

"In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsec. (7) of this section) no others:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made, for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers."

[4] These provisions establish certain performance requirements aimed at insuring that the plant continues to provide fluid milk to the marketing area even in periods of short supply. Thus, it is primarily the handlers whose main concern is the marketing area who qualify for the "pool."

[5] "Use value" is the price the handler would have had to pay, at prevailing minimum rates, had he purchased his milk at a price reflecting its ultimate disposition.

[6] See 7 CFR secs. 1034 (Dayton-Springfield), 1037 (north-central Ohio), 1038 (Rockford-Freeport), 1074 (southwest Kansas).

[7] The payment provision of 7 CFR sec. 1002.83 applies only in those months when the volume of milk sold for class III use exceeds 15 percent of the total pool milk reported in the marketing area.

[8] The act authorizes the establishment of either marketwide pools or individual handler pools. Since the latter require only that each handler pay uniform prices to all the producers from which he buys, but does not impose a uniformity requirement among the various handlers, there is no need for adjustments among handlers. Consequently, no compensatory payment provision is included in orders establishing individual handler pools. See 7 CFR secs. 1004 (Philadelphia), 1005 (Tri-State), 1010 (Wilmington), 1039 (Milwaukee), 1041 (Toledo), 1044 (Michigan Upper Peninsula), 1078 (north central Iowa), 1096 (northern Louisiana), 1097 (Memphis), 1102 (Fort Smith), 1129 (Austin-Waco), 1130 (Corpus Christi), 1134 (western Colorado).

[9] Compare 7 CFR secs. 1001.65 (Greater Boston), 1003.62 (Washington, D.C.), 1006.65 (Springfield, Mass.), 1007.65 (Worcester), 1008.54 (Wheeling), 1009.54 (Clarksburg, W. Va.), 1011.62 (Appalachian), 1014.46 (southeastern New England), 1015.46 (Connecticut), 1016.62 (Upper Chesapeake Bay), 1030.61 (Chicago), 1031.70(b) (South Bend-La Porte-Elkhart), 1036.84(b) (northeastern Ohio), 1048.54 (Greater Youngstown-Warren), 1061.54 (St. Joseph), 1068.70(b) (Minneapolis-St. Paul), 1071.62(b) (Neosho Valley), 1072.55 (Sioux Falls-Mitchell), 1106.55 (Oklahoma), 1125.70 (Puget Sound), 1126.70 (d) north Texas), 1133.70(b) (Inland Empire).

made by the seller to the producer settlement fund.

III. THE PURPOSE AND EFFECT OF THE COMPENSATORY PAYMENT

After the Court of Appeals for the Second Circuit had held the compensatory payment requirement in the New York-New Jersey Milk Marketing Order (then order No. 27) to be a "penalty," *Kass* v. *Brannan*, 196 F. 2d 791, 795, the Secretary of Agriculture conducted extensive hearings to determine whether it should be retained. His findings, which appear at 18 Fed. Reg. 8444–8454, explain this requirement as the most satisfactory means of imposing "a suitable charge on such unpriced milk in an amount sufficient to neutralize, compensate for and eliminate the artificial economic advantage for nonpool milk which necessarily is created by the classified pricing and pooling of pool milk under the order." (Id. at 8448.) There seems little doubt that an assessment equal to the class I to class III differential would, in all but rare instances, nullify any competitive advantage that nonpool milk could have: only if the sum of the purchase price of the outside milk and the cost of its transportation to market were less than the class III price would a handler find it profitable to bring such milk into the marketing area. But it must be obvious that this payment is wholly or partially "compensatory"—i.e., puts pool and nonpool milk "on substantially similar competitive positions at source" (ibid.)—only if the milk has been purchased at not more than the class III price. If the purchase price of the nonpool milk exceeds the class III price within the area, the effect of the fixed compensatory payment is to make it economically unfeasible for a handler to bring such milk into the marketing area.

The Secretary of Agriculture's determination that the class I-class III differential was the most suitable compensatory figure rested upon what was, in effect, an irrebuttable presumption that the nonpool milk was purchased at a rate commensurate with the value of "surplus" (class III) milk. See 18 Federal Register, at 8448.[10] That presumption was based in turn on the supposition that the nonpool milk could not have been worth more than the class III price where purchased since it could not be shipped elsewhere for class I use. But it must be apparent that it is only if the milk is denied access to other marketing areas or if a prohibitive payment is assessed on its use elsewhere that it will depreciate in value to class III levels. For if the milk can be freely shipped elsewhere for fluid use or if it is purchased in an area where prices paid to producers are regulated, it will command a higher price.

Indeed, the facts of the case now before us demonstrate the shortcomings of the Secretary's reasoning. One of the petitioners, Suncrest Farms, Inc., purchases its milk in Pennsylvania under regulations established by the Pennsylvania Milk Control Commission. In September 1957, which was one of the months during which it sought to sell its milk in the New York-New Jersey marketing area, Suncrest was required to pay $6.40 per hundredweight for the milk it purchased from dairy farmers in Pennsylvania. The class I-class III differential in the New York-New Jersey marketing area during that month was $2.78 per hundredweight. Thus, if the "compensatory payment" were assessed, Suncrest would actually be forced to pay $9.18 per hundredweight for fluid milk sold in the area, while the handlers maintaining pool plants in the area would pay only the class I price, which was $6.23 in August 1957.[11]

If competitive parity among handlers of pool and nonpool milk were the only objective of the Secretary's "compensatory" regulation, other marketing orders of the Secretary show that this result has been achieved without imposing unnecessary hardships, virtually "trade barriers" as in the instance just given,[12] on the nonpool milk.[13]

It is in considering the effect of the present compensatory payment provisions on the pool producers, however, that the principal concern of the Secretary becomes quite apparent. As has been noted, the sale for fluid use of nonpool milk in the marketing area displaces pool milk that might otherwise be used for this premium outlet. Since the market area's "blend price" is computed only with reference to the pool milk, the effect of the entry of nonpool milk is to drive down the price that is paid to producers in the area. A close examination of the workings of the present compensatory payment provision reveals that its effect is to preserve for the benefit of the area's producers the blend price that they would receive if all outside milk were physically excluded and they alone would supply the fluid-milk needs of the area. For every cwt. of pool milk that is forced into "surplus" use by the entry of nonpool milk, the handler introducing the outside milk is required to pay for the benefit of the area's producers the difference between the value the pool milk would have had if the nonpool milk

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[10] "As stated earlier herein, all milk which is established to be primarily associated with the New York milk marketing area under the standards prescribed by the order is included in the New York pool. Conversely, the nonpool milk which enters the marketing area for fluid use originates from plants which are not sufficiently associated with the New York market to have their milk in the pool. Such plants have their primary interests in other fluid markets or specialized manufacturing uses and frequently have more milk than is required for these primary purposes. It is this surplus milk at nonpool plants which can be 'dumped' into the New York market for fluid use, provided only that the plant and the milk has marketing area health approval. The operator of such a nonpool plant has a choice of using the excess milk for surplus uses (ordinarily in the manufacture of various milk products) or of sending it to the New York marketing area for fluid uses. In making this decision he will compare the respective net returns to him for this surplus milk and will naturally select the fluid alternative, for it will yield the greater return. In the absence of classified pricing, his cost, at source, for the excess milk remains exactly the same whether he uses it for surplus disposition or for fluid use. The pool plant operator on the other hand has no such advantage for he pays a higher classified price, at source, if he sells the milk in the market area for fluid use (class I–A or II) than if he disposes of it for surplus manufacturing uses (class III).

"If this artificial advantage in favor of surplus nonpool milk at the plant of origin is to be effectively removed, as it must be, the milk must be treated and evaluated for what it actually is, namely surplus milk in the milkshed. If New York marketing area disposition were not available for this surplus, the nonpool handler could derive from it only its surplus value. This surplus value is true value or 'opportunity cost' and such surplus value should be used as the subtrahend in the formula for compensation payments on nonpool milk from plants not subject to a Federal order.

"The class III price under the New York order is the class price which is payable, at source, for pool milk under the New York order when used for most surplus uses. It is expressly designed to fix a proper classified value, at source, for surplus milk. The class III price closely approximates the amount paid in the Northeast to farmers not under the New York order for so much of their milk as is used for general manufacture.

"It is therefore a dependable indicator of the value of surplus milk at source. If a nonpool handler, for his own reasons, chooses to pay more than its true market value, at source, for surplus milk which he sends to the New York area, the pool should not underwrite this unnecessary cost, particularly since the premium can be used to outbid pool handlers for milk, as previously shown."

[11] The fact that petitioners were paying more for their milk than the class I price in the New York-New Jersey marketing area leaves no room for any suggestion that they will be receiving a "windfall" if it is ultimately adjudged that they are entitled to have returned the full amount of their compensatory payments.

[12] The total amount of the compensatory payments involved in this litigation, embracing a period of approximately 4 years, was some $617,000 as to Lehigh Valley and $108,000 as to Suncrest.

[13] Several of the marketing orders make the compensatory payment equal the difference between the class I price in the marketing area and the actual cost of the nonpool milk. See 7 CFR secs. 1042.60 (Muskegon), 1128.62(b) (central west Texas). In some marketing areas the handler who deals in nonpool milk is permitted to elect each month between paying the fluid milk-surplus use differential and paying the difference between his actual cost and the minimum regional price for class I milk. See 7 CFR secs. 1013.62 (southeastern Florida), 1033.61 (Greater Cincinnati), 1035.63 (Columbus, Ohio), 1040.66 (southern Michigan), 1043.84 (upstate Michigan), 1045.83 (northeastern Wisconsin), 1047.62 (Fort Wayne), 1064.61 (Greater Kansas City), 1065.62 (Nebraska-western Iowa), 1067.61 (Ozarks), 1069.62 (Duluth-Superior), 1073.62 (Wichita), 1094.62 (New Orleans), 1098.92 (Nashville), 1103.62 (central Mississippi), 1105.62 (Mississippi Delta), 1107.61 (Mississippi gulf coast), 1131.62 (central Arizona), 1135.62 (Colorado Springs-Pueblo), 1136.62 (Great Basin), 1137.62 (eastern Colorado).

Other marketing orders, applicable in some areas, assess a compensatory payment equal to the difference between the "blend price" paid in the area for pool milk and the Class I price, thus treating the handler of nonpool milk as if he were a member of the pool with respect to such milk as he introduced into the marketing area.

Where this differential is accepted as the measure of the compensatory payment it is done only in those months when the surplus is lowest. In the spring and summer months the fluid milk-surplus use differential is exacted. See 7 CFR secs. 1032.55(b) (suburban St. Louis, August–February), 1046.55(b) (Ohio Valley, August–March), 1049.55(b) (Indianapolis, August–March), 1062.55(b) (St. Louis, August–February), 1063.63(b) (Quad Cities-Dubuque, July–November), 1066.57(a) (Sioux City, August–February), 1070.63(b) (Cedar Rapids-Iowa City, July–November), 1075.63(b) (Black Hills, July-March), 1076.63(b) (eastern South Dakota, July–February), 1079.63(b) (Des Moines, July–March), 1090.54(b) (Chattanooga, August–February), 1095.70(e)(2) (Louisville-Lexington October–December) 1099.62(a) (Paducah, August-March), 1101.93(b) (Knoxville, August–February), 1104.53(b) (Red River Valley, August–January),

had never entered and the value it has once the nonpool milk is sold for fluid use.[14] In effect, therefore, the nonpool milk is forced to subsidize the pool milk and insulate the pool milk from the competitive impact caused by the entry of outside milk. This was recognized by the court of appeals which held that such a compensatory payment was "designed to compensate the pool for the loss of the class I fluid milk utilization and * * * protect the uniform blend price in the marketing area." (287 F. 2d, at 730.) It is only if the Secretary has been authorized by the statute to impose such economic trade barriers on the entry of milk into an area so as to protect the prices received by the pool producers that the present compensatory payment plan can be sustained as "necessary to effectuate" the expressly authorized provisions of this order.

1108.54(b) (central Arkansas, August–February), 1127.65(b) (San Antonio, January and August), 1132.63(b) (Texas Panhandle, July–February).

The latter method treats the handler of nonpool milk who buys at a price in excess of the blend price as if he were a member of the pool since a handler in the pool may, if he chooses, pay his producer more than the blend price set by the Market Administrator, see *Stark* v. *Wickard*, 321 U.S. 288, 291, but must still account to the Producer Settlement Fund as if he had paid only the blend price. By treating nonpool milk in the same manner, the Secretary might be able to justify a compensatory payment equal to the difference between the nonpool milk's use value and the blend price, though we do not decide the question. See generally, Hutt, Restrictions on the Free Movement of Fluid Milk Under Federal Milk Marketing Orders, 37 U. Det. L. J. 525, 564–577 (1960).

The suggestion that a nonpool handler would be given a competitive advantage under either of these methods because, in the words of the judicial officer, he does not have to equalize his utilization as do pool handlers is demonstrably unsound. Insofar as the handlers' sale of milk is concerned, neither pool nor nonpool handlers are required to share or equalize their proceeds with others. To the extent that this contention relates to the handlers' purchase of milk and is meant to suggest that nonpool handlers will find it easier to buy milk because they will be able to pay higher prices to their producers, the exaction of a class I-blend price payment would effectively discourage purchases in excess of the blend price (which is what the pool's producers are paid). And the assertion that the pool carries the surplus burden for outside handlers is based on the same mistaken reasoning as underlies the Secretary's determination to retain the class I-class III payment after *Kass* v. *Brannan, supra*. See pp. 9–10, supra.

[14] A highly simplified illustration serves to clarify this effect: If the class I price on a given date is $6 per hundredweight and the class III price is $3 per hundredweight and if 2,000 hundredweight are consumed as fluid milk and another 2,000 hundredweight are produced by the dairy farmers in the area and utilized for surplus uses, the computation of the blend price would be as follows:

Table A

Class I	2,000×6.00 equals	12,000
Class III	2,000×3.00 equals	6,000
Totals 4,000 at blend price, $4.50		18,000

If 500 hundredweight are then brought in from the outside as nonpool milk and sold for class I use, 500 hundredweight of the pool milk will drop into class III (since the fluid milk demand remains relatively constant):

Table B

Class I	1,500×6.00 equals	9,000
Class III	2,500×3.00 equals	7,500
Totals 4,000 at blend price, $4.125		16,500

The producers in the pool would thereby be receiving $0.375 less per hundredweight than had the nonpool milk stayed out altogether. By distributing to them (through the exaction made of nonpool handlers) the difference between class I and class III prices multiplied by the amount of nonpool milk sold in the area as class I, that deficit is restored. Thus,

Table C

(Nonpool milk sold as class I) × (class I minus class III) equals (loss to pool by displacement of class I outlet) or 500 × 3.00 equals 1,500; 1,500 divided by 4,000 hundredweight equals .375 per hundredweight.

The Secretary's formula, therefore, precisely accomplishes the restoring to the pool's producers whatever they have lost by reason of the occupation of their class I outlet by the nonpool milk.

It should be noted that the actual computation of the blend price, as set out in 7 CFR section 1002.66, achieves this same result in an indirect fashion. Instead of computing the blend price without reference to any nonpool milk, the Secretary's formula includes the compensatory payments within the list of minimum-price obligations that are added in determining the total proceeds for milk sold within the area. 7 CFR section 1002.66(c). But the blend price is then computed by dividing this sum by the amount of "milk delivered by producers," i.e., pool milk. Consequently, the actual computation of the uniform price under the above illustration would be as follows:

Table D

Class I	1,500 × 6.00 equals	9,000
Class III	2,500 × 3.00 equals	7,500
Compensator payments (nonpool milk)	500 × 3.00 equals	1,500
Total (pool milk), 4,000 at blend price, $4.50		18,000

The funds paid into the Producer Settlement Fund by the handlers dealing in nonpool milk are then available to the pool handlers, whose credits from the fund will be larger to the extent that they have been forced to pay a higher blend price.

IV. SECTION 8c(5)(G)

Section 8c(5)(G) of the act, however, taken in light of its legislative history, indicates that the regulation here imposed by the Secretary was of the sort that Congress intended to forbid. Section 8c(5)(G) provides:

"No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof in any production area in the United States."

This provision was first enacted into law as part of the Agricultural Adjustment Act of 1935, 49 Stat. 750, amending the Agricultural Adjustment Act of 1933, 48 Stat. 31. It was reenacted as part of the Agricultural Marketing Agreement Act of 1937, 50 Stat. 246, which reaffirmed the marketing order provisions of the 1935 act after the processing tax had been struck down as unconstitutional in *United States* v. *Butler*, 297 U.S. 1.

Along with enumerating the powers granted to the Secretary of Agriculture so as to avoid the "delegation" problems brought to light by the then recent decision in *Schechter* v. *United States*, 295 U.S. 495, the Congress sought in 1935 to limit the Secretary's powers so as to prevent him from establishing "trade barriers." Midwestern legislators were particularly concerned over this possibility. When the reported bill, which contained no provision like the present section 8c(5)(G) came to the floor of the House of Representatives, Representative Andresen, of Minnesota, suggested that the Secretary might use his powers to "stop the free flow in commerce * * * of dairy products." He received an assurance from Representative Jones, the chairman of the House Committee on Agriculture, that the Secretary was not authorized to require anything more of milk coming into a marketing area than that it "comply with the same conditions which the farmers and distributors comply with in that region." 79 CONGRESSIONAL RECORD 9462.[15]

An amendment to the bill clarifying this position was then offered by Representative Sauthoff of Wisconsin, 79 CONGRESSIONAL RECORD 9493,[16] but no action was taken on that proposal.

On the next day, Representative ANDERSEN proposed from the floor of the House the forerunner to the present section 8c(5)(G) (79 CONGRESSIONAL RECORD 9572). His amendment took the following form:

"(g) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit the marketing in that area of any milk or product thereof produced in any production area in the United States."

There was no objection to the addition of this language, Representative JONES remark-

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[15] "Mr. ANDRESEN. Is there anything in the milk section of the bill which give the Secretary authority to set up trade barriers and stop the free flow in commerce throughout the United States of dairy products?

"Mr. JONES. No. There is nothing in the bill that would authorize that. The Secretary may require that in crossing from one region to another that they comply with the same conditions which the farmers and distributors comply with in that region.

"Mr. ANDRESEN. That is, sanitary regulations?

"Mr. JONES. Sanitary and other uniform regulations; but he cannot set up any trade barriers which would keep them out.

"Mr. ANDRESEN. A great many Members have inquired about that feature, and I just wanted the gentleman to bring that out.

"Mr. JONES. The amendments require a uniform price and uniform set of conditions and fair distribution. In the first place, I do not believe we could give authority to set up these barriers. In the second place, the bill does not do that. It simply enables them to have a program in one of these regions, and in developing these orders which the Secretary issues, he uses the word 'region' wherever possible. Those on the outside must come into that."

[16] The proposed amendment read:

"Sec. —(b): No marketing agreement, order or regulation shall contain any term or provision which will tend to result in preventing or hindering any agricultural commodity or product thereof produced in any region or area of the United States from being brought into or sold in any other such region or area or shall have the effect of subsidizing the production or sale of any agricultural commodity or product thereof in any such region or area, in such a manner that such commodity or product thereof will tend to be sold in such other region or areas at prices which will tend to depress prices thereon of such commodity or product thereof."

ing that "it is simply clarifying." Ibid. But when Representative Sauthoff sought to change the amendment by substituting the words "limit or tend to limit" for "prohibit," Representative JONES objected on the ground that necessary milk classification and minimum pricing for the protection of outside milk producers regularly supplying their own marketing area would "tend to limit" the introduction of their milk into other areas.[17] Ibid.

The House bill, with the language added by Representative Andresen's amendment, went to the Senate. Accompanying the bill to the floor was Senate Report No. 1011, 74th Congress, 1st session, which stated at page 11:

"To prevent assaults upon the price structure by the sporadic importation of milk from new producing areas, while permitting the orderly and natural expansion of the area supplying any market by the introduction of new producers or new producing areas, orders may provide that for the first 3 months of regular delivery, payments shall be made to producers not theretofore selling milk in the area covered by the order at the price fixed for the lowest use classification. This is the only limitation upon the entry of new producers—wherever located—into a market, and it can remain effective only for the specified 3-month period."[18]

In the Senate section 8c(5)(G) was amended, without objection, 79 CONGRESSIONAL RECORD 11655, to read:

"(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, except as provided for milk only in subsection (D), the marketing in that area of any milk or product thereof produced in any production area of the United States."[19]

Section 8c(5)(G) emerged from conference in its present form. The conference report explained how the differences between the House and Senate versions were resolved (H. Rept. 1757, 74th Cong., 1st sess., 21): "* * * The conference agreement retains the House provision with respect to prohibitions on marketing of both milk and products of milk. The conference agreement also denies the authority to limit in any manner the marketing in any area of milk products (butter, cheese, cream, etc.) produced anywhere in the United States. The language adopted by the conference agreement does not refer to milk, and so does not negative the applicability to milk, for use in fluid form or for manufacturing purposes, of the provisions of the bill relating to milk, such as the provisions on price fixing, price adjustment, payments for milk, etc."

When the conference agreement came to the floor of the House, Representative JONES again explained what section 8c(5)(G), when taken together with section 8c(5)(D), meant (79 CONGRESSIONAL RECORD 13022):

"Mr. SNELL. * * * I do not understand exactly what this means, 'No marketing agreement or order applicable to milk and its products,' and so forth.

"Mr. JONES. That simply applies to fluid milk. You cannot make any limitation at all on the amount of butter or cheese or milk products that are shipped from any one area to another, and the limitation that may be applied on milk is only such limitation as puts each area on an equality with the other areas after a certain period of about 2½ months.

* * * * *

"Mr. SNELL. How does that change the situation from the present law?

"Mr. JONES. The provisions of this particular bill would enable that area to be protected from being swamped with fluid milk from the outside, bought at any old price. For instance, if you do not have the protection of this bill they would run into the same trouble they ran into in the New York milk cases, where they went into New Hampshire and bought milk at a lower price and came in and broke down your milk agreements. Under the provisions of this bill if a price were fixed in this particular area in New York, then if anyone bought milk from an outside area and brought it in he would be compelled to pay the producer the same price that was being paid the producers within the area and comply with all regulations and requirements of that area. For the first 2 months he would be required to take the manufacturer's price."

This history discloses that rather than being confined, as Judge Learned Hand suggested in *Kass* v. *Brannan*, 196 F. 2d, at 800, to practices aimed at the exclusion of cheese and other milk products from eastern markets, section 8c(5)(G) was compendiously intended to prevent the Secretary from setting up, under the guise of price-fixing regulation, any kind of economic trade barriers, whether relating to milk or its products. Whenever there was an attempt to broaden the language of subsection (G) to encompass "limitations" as well as "prohibitions," those opposing it pointed only to the fact that "limit" might be read as including the type of price-fixing covered by subsection (D)—i.e., allowing new pool producers only manufacturing-use prices for a limited period—or other attempts to put outside milk on an equal footing with pool milk. Although the words of section 8c(5)(G), "in any manner limit," must be taken, in the context of their legislative history, as referring only to milk products, that history likewise makes it clear that as regards milk the word "prohibit" refers not merely to absolute or quota physical restrictions, but also encompasses economic trade barriers of the kind effected by the subsidies called for by this "compensatory payment" provision.

V. THE INVALIDITY OF THE PRESENT COMPENSATORY PAYMENT PROVISION

In light of the legislative history of section 8c(5)(G) we conclude that the compensatory payment provision of the New York-New Jersey Milk Marketing Order must fall as inconsistent with the policy expressed by Congress in that section.[20] Because it conflicts with section 8c(5)(G), the payment provision cannot be justified under the general terms of section 8c(7)(D), which prevents the inclusion of conditions that are inconsistent with express statutory provisions. Nor is the compensatory-payment clause saved by the circumstance that in some instances it may also fortuitously operate to put the handlers of pool and nonpool milk on a competitive par. As has been pointed out (note 13, supra), there are other means available to the Secretary for achieving this result, while affording protection to pool producers, without imposing almost insuperable trade restrictions on the entry of nonpool milk into a marketing area.

The Government contends that the effect of section 8c(5)(G) may not be considered by this Court since that provision was not cited by the petitioners in the administrative proceeding in the Department of Agriculture. But even on the Government's premise that an unauthorized regulation should be upheld by this Court merely because the provision prohibiting it was not cited in the administrative proceeding in which it was attacked, this case presents no such instance. The administrative petition filed with the Department of Agriculture alleged that the effect of the compensatory-payment clause amounted "to establishing tariffs or barriers interfering with the free flow of milk across State lines," an obvious reference to the prohibition of section 8c(5)(G).

In addition, the Government contends that the petitioners had the choice of joining the marketwide pool, in which case they would not have been subject to the compensatory payment provisions. Their election to stay out of the pool, it is argued, bars any attack on the consequences of their choice. However, such an "election" is surely illusory. The consequences of joining the pool would have been that petitioners would have been forced to pay the "blend price" to all their producers wherever located and account to the producer settlement fund for all milk wherever sold. In these circumstances the election was not voluntary as in *Booth Fisheries* v. *Industrial Comm'n*, 271 U.S. 208, 211. It was coercive, and, indeed, no election at all.

Whether full regulation of the petitioners would be permissible under the act is a question which we need not reach in this case. If the Secretary chooses to impose such regulation as a consequence of a handler's introducing any milk into a marketing area, the validity of such a provision would involve considerations different from those now before us. With respect to these petitioners, however, and with regard to the reg-

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[17] "Mr. JONES. Mr. Chairman, the adoption of the amendment of the gentleman from Wisconsin would absolutely wreck the whole milk program. In order to get away from the terrific conditions that have prevailed in the milk industry there is provided in the bill authority to fix a minimum price to producers. That, at least in a measure, would limit or tend to limit shipment, and yet the gentleman, I am sure, does not want to interfere with the price to producers. Then it is a universal custom in the marketing of milk to classify milk. This, in a way, is a limitation. * * *

"Mr. BOILEAU. * * * Mr. Chairman, I should like to ask the distinguished chairman of the committee if in his opinion there is anything in this bill that gives to the Secretary of Agriculture or to anyone else any power to restrict the free flow of milk or any other commodity between the various States?

"Mr. JONES. No; there is nothing in it that will do that. The only tendency is to make all sections comply with the same rules.

* * * * *

"Mr. HULL. * * * Mr. Chairman, if there is nothing in this bill which would authorize the Secretary of Agriculture or any subordinate so to limit transportation or shipment of dairy products from one State into another, then the amendment of the gentleman from Minnesota as amended by the amendment of the gentleman from Wisconsin [Mr. SAUTHOFF] can do no harm.

"The three States of Minnesota, Iowa, and Wisconsin, produce about 45 percent of the butter made in this country and we are interested in this matter of the shipment of dairy products to other States.

"Mr. JONES. Mr. Chairman, will the gentleman yield?

"Mr. HULL. I yield.

"Mr. JONES. Would the gentleman object to the requirement that Chicago dealers pay the Wisconsin producer a minimum price?

"Mr. HULL. Not at all.

"Mr. JONES. That certainly would tend to limit."

[18] The "3-month period" provision here referred to is the present sec. 8c(5)(D) which authorizes the Secretary to set the surplus-use price as the price to be paid to any new producer who enters the pool. In the final version of the act the introductory period was reduced to 2 months.

[19] "Subsec. (D)" is sec. 8c(5)(D). See note 18, supra.

[20] While we need not reach the point, we would have difficulty in concluding, as did the Court of Appeals for the Second Circuit in Kass against Brannan, supra, that the provisions of section 8c(5)(A) precluded, in themselves, the promulgation of the present compensatory payment provision.

ulation here in issue, we conclude that the action of the Secretary of Agriculture exceeded the powers entrusted to him by Congress.

The Secretary, of course, remains free to protect, in any manner consistent with the provisions of the statute, the "blend price" in this or any other marketing area against economic consequences resulting from the introduction of outside milk. We do not now decide whether or not any new regulation directed to that end could be made to apply retrospectively, or whether, if it could be validly so applied, the presently impounded funds could be resorted to pro tanto in its effectuation (cf. *Morgan* v. *United States*, 307 U.S. 193). "What further proceedings the Secretary may see fit to take in light of our decision, or what determinations may be made by the district court in relation to any such proceedings, are not matters which we should attempt to forecast or hypothetically to decide" (*Morgan* v. *United States*, 304 U.S. 23, 26).

The judgment of the court of appeals is reversed and the case is remanded to the district court for further proceedings consistent with this opinion.

It is so ordered.

Mr. Justice Frankfurter took no part in the decision of this case.

Mr. Justice White took no part in the consideration or decision of this case.

[Supreme Court of the United States—No. 79, October Term, 1961]

LEHIGH VALLEY COOPERATIVE FARMERS, INC., ET AL., PETITIONERS, *v.* UNITED STATES ET AL.

(On writ of certiorari to the U.S. Court of Appeals for the Third Circuit)

(June 4, 1962)

Mr. Justice Black, dissenting.

I find it impossible to agree with the Court's holding or opinion. In 1936, in *United States* v. *Butler*,[1] this Court temporarily paralyzed the national farm recovery program by holding important parts of the Agricultural Adjustment Act of 1933 unconstitutional and by casting grave doubts upon the remainder of that act which had been passed at the bottom of the great depression for the express purpose of alleviating the desperate economic plight of the American farmer. Following that decision Congress, in 1937, with unusual promptness adopted another national farm program reaffirming the broad and comprehensive powers it had previously given the Secretary of Agriculture to develop agricultural marketing plans for the purpose of raising the income of farmers.[2] The philosophy of this later act was not competition as in the Sherman Act but governmental price fixing as in the original 1933 Agricultural Adjustment Act, the National Recovery Act, and a host of other contemporaneous acts, all of which were designed to raise the income and purchasing power of workers and farmers. Today some 26 years after the Butler decision this Court again projects itself across the path of the national farm program by reading Congress' 1937 reenactment as designed to encourage competition rather than to help farmers by governmental price-fixing, and on this basis strikes down a vital element of many of the milk marketing orders set up under the 1937 act while raising clouds of confusion and uncertainty as to the validity of many others.

Although the blow to the present farm program is not so devastating as the one inflicted on the original act by the Butler decision, I think that in ultimate effect the harmful consequences of the two decisions will differ only in degree. It is my belief that the order of the Secretary which the Court strikes down was set up in faithful adherence to the act's purpose to raise the prices that farmers receive for their products and that the Court's action will tend to have precisely the opposite effect of depressing those prices. I have no doubt but that the Court's decision will enable some handlers to reap greater profits but I regret to say that this is bound to be at the expense of the farmers themselves—for whose benefit the national program was primarily passed. Certainly this is true of the more than $700,000 which the Court's decision today will allow the two handlers here to be paid which of necessity must come out of the pockets of the dairy farmers where this milk was sold.

The basic features of the act under which the Secretary promulgated the regulation which the Court today strikes down were first enacted in 1935[3] when the dairy industry was near the bottom of its depression and dairy farmers in many parts of the country were not even receiving the actual cost of producing the milk they sold. These 1935 provisions were themselves amendments to the original 1933 Agricultural Adjustment Act, and were designed to spell out more clearly and to some extent add to the broad powers which the original 1933 act had given the Secretary to correct the "severe and increasing disparity between the prices of agricultural and other commodities" by raising "the purchasing power of farmers" and stabilizing the value of the "agricultural assets supporting the national credit structure."[4]

The causes of the low prices to dairy farmers which led Congress to grant these broad powers were, like the details of the operation of the milk business itself, incredibly complex. In the main, however, these low prices were widely attributed to a vicious and destructive competition among dairy farmers for fluid milk sales which brought farmers higher prices than did sales as surplus milk for manufacturing butter, cheese, and other milk products.[5] In order to bring an end to this competition which was pushing farmers to the wall, the 1935 act gave the Secretary specific power to set up regional marketing areas within which he could, for the Government, fix minimum prices handlers would have to pay to farmers for the various uses of milk, require that those minimum prices be paid to a pool for the area and distribute the proceeds of the pool so that each farmer selling milk through the pool would ultimately be paid at the same uniform rate or "blend price" regardless of the use to which his particular milk was put.[6] In the original 1935 act the Secretary was directed to fix prices at parity—a level designed by Congress to insure that farmers generally would receive a higher price for their products than they could get in an open, competitive market.[7] The 1937 reenactment went beyond this, however, and gave the Secretary power to fix prices above this parity level in order to insure that dairy farmers in particular would receive a high enough price for their products.[8] In order to make sure that the Secretary had enough power to raise prices above the competitive level, the Secretary was also authorized to issue orders "Incidental * * * and necessary to effectuate" the specific price-fixing and other powers given to him.[9] Thus it can be seen that the general scheme of the act was to raise prices to farmers by governmental fixing of minimum prices for dairy products within specific regional areas, thereby abandoning to that extent the system of price fixing by competition.

In accordance with this general plan and under the authority of the act, the Secretary has proceeded after full hearings within the various regions to set up a number of regional milk marketing pools, one of which is the New York-Northern New Jersey pool whose operation is jeopardized by the Court's decision today.[10] The Secretary has also chosen to leave a number of areas unregulated. Obviously in a system including both large unregulated areas and regulated regional pools in which prices may be fixed at different levels, there will be significant and complicated problems involved in milk sales and purchases that do not take place wholly within a single pool. Among the most serious of these problems is that handlers from outside a pool can, if left unregulated, get the advantages of selling milk in that pool area without bearing any of the burdens that members of that pool have to bear. And as shown by the record in this case such sales can reduce the net price received by the farmers within the pool area. In an obvious effort to prevent any such harmful effects on the prices received by farmers in the New York-Northern New Jersey pool, the Secretary, properly I think, acting under his authority to issue orders "Incidental * * * and necessary to effectuate" his specific price-fixing powers, provided that nonpool handlers who sold fluid in that pool area at times when there was surplus fluid milk in the pool should make a payment to compensate pool farmers for the displacement of fluid sales they otherwise would have made, compensate for the reduction of the regional pool fund which this would cause and to compensate for the consequent diminution of the blend price that would be paid to pool farmers. It is this key regulatory feature which the Court strikes down as a trade barrier prohibited by section 8c (5) (G) of the act because it limits the ability of outside handlers to sell milk within the pool area at a profit.

It is no doubt true that the Secretary's requirement that nonpool handlers make compensatory payments in order to sell fluid milk within the New York-northern New Jersey pool area does limit to some extent the ability of handlers whose major business is outside the pool to dump their surplus milk into the pool at highly profitable fluid milk prices, and if this is a trade barrier the Secretary's regulation can properly be called a trade barrier. But section 8c (5) (G) says nothing at all about prohibiting "trade barriers" or guaranteeing high profits to handlers, and if it had it would have been at cross purposes with the basic aim of the act to have Government rather than competition fix the minimum prices that farmers in designated regional areas must be paid for their milk. It says only:

"No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk

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[1] 297 U.S. 1.

[2] 50 Stat. 246, 7 U.S.C. § 601 *et seq.*

[3] 49 Stat. 750.

[4] 48 Stat. 31.

[5] See *Nebbia* v. *New York*, 291 U.S. 502, 515–518, 530; *United States* v. *Rock Royal Cooperative, Inc.*, 307 U.S. 533, 548–550.

[6] 50 Stat. 246, as amended, 7 U.S.C. 608c.

[7] 49 Stat. 750.

[8] 50 Stat. 247, 7 U.S.C. 608c(18).

[9] 49 Stat. 757, 7 U.S.C. 608c(7) (D).

[10] Congress specifically provided in sec. 8c(11)(C) of the act that the Secretary's price-fixing powers were to be exercised on a regional basis rather than a national basis whenever practicable:

"All orders issued under this section which are applicable to the same commodity or product thereof shall, so far as practicable, prescribe such different terms, applicable to different production areas and marketing areas, as the Secretary finds necessary to give due recognition to the differences in production and marketing of such commodity or product in such areas" (49 Stat. 759, 7 U.S.C. 608c(11)(C)). (See also sec. 8c (11) (A). 49 Stat. 759, 7 U.S.C. 608c (11) (A).)

or product thereof in any production area in the United States." [11]

This language contains no words or arrangement of words of any kind that would prohibit the Secretary from limiting the marketing of milk in any regional area where necessary to protect the prices fixed for that regional area. The Court, however, goes to great lengths to try to show on the basis of legislative history that Congress really meant the no limitation clause to apply to milk as well as to milk products. In other words the Court wants to read the statute as if Congress had said "No order shall prohibit or limit the marketing in that area of any milk or product thereof." But Congress simply did not say that. And the whole legislative history persuades me that Congress knew exactly what it was saying and that, while it intended to forbid the Secretary from making blanket prohibitions against outside milk, it also meant to leave the Secretary free to establish whatever regulations were necessary to guarantee that farmers in a price-fixing region received the regional prices he was authorized to fix even though those regulations might limit sales by outside handlers by making them unprofitable.[12]

Outside the language of section 8c(5)(G) itself the clearest indication that this is the proper interpretation of the legislative history of the act is that an amendment which would have made the no limitation clause applicable to milk as well as milk products was defeated on the floor of the House and that an amendment to the same effect which passed the Senate was deleted in conference.[13] The arguments of the chairman of the House Committee on Agriculture, one of the principal architects of the program against the amendment in the House show almost conclusively, a general understanding that regional price-fixing necessarily required sales from out of the region to be limited if the price fixing were to be successful:

"Mr. JONES. Mr. Chairman, the adoption of the amendment of the gentleman from Wisconsin would absolutely wreck the whole milk program. In order to get away from the terriffic conditions that have prevailed in the milk industry there is provided in the bill authority to fix a minimum price to producers. That, at least in a measure, would limit or tend to limit shipment, and yet the gentleman, I am sure, does not want to interfere with the price to producers. Then it is a universal custom in the marketing of milk to classify milk. This, in a way, is a limitation.

"I am perfectly willing to adopt the first amendment suggested [the present section 8c(5)(G)] because that simply treats all areas alike, for you could not prohibit someone from an outside area coming in so long as he complied with the conditions prescribed for that area; but if you say that no restrictions or limitations could be required, it would wreck the program, it would destroy every vestige of a program we have for milk." [14]

After the Senate amendment had been rejected by the Conference and while the Conference Report was being considered in the House of Representatives, a discussion took place on the floor between Representative Hope, a member of the House Committee on Agriculture and one of the conferees, and the chairman of the committee who was also a conferee. This discussion shows the same understanding that the Secretary was to be left free to impose whatever limitations were necessary to protect the regional prices he was authorized to fix:

"Mr. JONES. But the original amendments did not permit any orders governing the price to the producers?

"Mr. HOPE. No; but otherwise the Secretary could make orders which would regulate the bringing in of milk from the outside into any particular milkshed, but under the amendments we are now considering the Secretary's power is limited. He cannot prohibit milk from coming in?

"Mr. JONES. That is correct.

"Mr. HOPE. But he can prescribe some limitations?

"Mr. JONES. Yes; and he cannot prohibit the products of milk being brought into any area.

"Mr. HOPE. No; but he can prescribe limitations on the importation of fluid milk.

"Mr. SNELL. Then, as far as fluid mlik is concerned, it is protected in certain markets, but, as far as the other products are concerned, they are not protected.

"Mr. JONES. That is correct." [15]

These were the last comments made on the floor of the House concerning milk before the Conference Report was finally adopted.

In the light of this legislative history and the act's language itself, I cannot possibly read section 8c(5)(G) or any other part of the act to insure profitable operations to outside handlers who desire to dump surplus milk into a regional price-fixing area or to say that the Secretary lacks the power to protect by appropriate regulations the integrity of the regional prices which Congress authorized him to fix. I simply cannot believe that Congress intended to take away with one hand the high fixed price for milk which it gave with the other.

The net result of the Court's action is to leave the farmers in the New York-Northern New Jersey pool, and those in 22 other pools containing the provisions which the Court strikes down today,[16] completely defenseless against an onslaught of outside milk that is highly discriminatory because the outside milk bears none of the burdens of pool milk. I say completely defenseless despite the fact that the Court intimates that the Secretary might possibly devise some alternative compensatory payment plan that would satisfy the exacting standards which is lays down today. My first reason for saying this is that I do not see how any formula that the Secretary could devise under the Court's expanded interpretation of the word "prohibit" in section 8c(5)(G) would protect pool members from unfair competition by outside handlers who are by the Court's decision given the advantages but not required to bear the burdens of the pool.[17]

Secondly, even if such a formula were possible, I doubt that a single member of this Court has the technical knowledge about the complicated workings of the milk indus-

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[11] 49 Stat. 755; 7 U.S.C. 608c(5)(G).

[12] See *Bailey Farm Dairy Co.* v. *Anderson*, 157 F. 2d 87, 96; *Kass* v. *Brannan*, 196 F. 2d 791, 800 (L. Hand, J., dissenting).

[13] The amendment adopted by the Senate but rejected by the conference is indicated by single quotation marks: "No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit 'or in any manner limit, except as provided for milk only in subsection (d),' the marketing in that area of any milk or product thereof produced in any production area in the United States." 79 CONGRESSIONAL RECORD 11655. The wording of this amendment shows that the Court's attempted explanation of why "in any manner limit" was omitted from the final language of sec. 8c(5)(G) does not bear analysis. The Court's explanation is that someone might construe "limit" as prohibiting "the type of price-fixing [limitation] covered by subsec. (D)." But it seems very clear that the wording of the Senate amendment was expressly designed to prevent such a construction while at the same time making "in any manner limit" applicable to milk. Consequently it seems apparent that in rejecting the Senate amendment the conference was not refusing to apply "in any manner limit" to milk because to do so would interfere with the operation of subsec. (d), but was in fact omitting that language because, to be effective, price fixing itself necessarily required limitations on the selling of outside milk within the area. This is clearly shown by the conference report, H. Rept. 1757, 74th Cong., 1st sess., 21:

"The Senate amendment extended this provision [sec. 8c(5)(G)] so that no marketing agreement or order so applicable could limit in any manner the marketing in the marketing area of milk or its products produced anywhere except that certain limitations on the marketing of milk were specifically permitted. * * * The conference agreement also denies the authority to limit in any manner the marketing in any area of milk products * * * [but] does not refer to milk, and 'so does not negative the applicability to milk,' for use in fluid form or for manufacturing purposes, of the provisions of the bill relating to milk such as 'the provisions on price fixing,' price adjustment, payments for milk, etc."

[14] 79 CONGRESSIONAL RECORD 9572.

[15] 79 CONGRESSIONAL RECORD 13022.

[16] See note 9 of the Court's opinion. At least 18 other pools apply a compensatory payment provision like the one in this case for at least part of the year. See note 13 of the Court's opinion.

[17] Certainly neither of the formulas which the Court in its note 13 intimates might be proper would protect the farmers in the pool, for neither of these formulas even go so far as to wipe out the discriminatory advantage that unregulated outside milk has over pool milk. In sustaining the Secretary's regulation in this case the judicial officer relied in part on the following reasons: "The marketwide pool existing under order No. 27, as amended, carries longtime and seasonal reserves of milk for numerous secondary markets in Pennsylvania and the Northeastern States. The New York-New Jersey market carries the surplus burden for outside handlers who distribute some milk in the marketing area. These handlers usually have a relatively high percentage of their milk in fluid milk utilization and this utilization is considerably higher than the average for the market regulated by order No. 27. This higher utilization, of course, results in a competitive advantage in milk procurement to the outside handler as against the regulated handler and outside and regulated handlers draw on the same production area for supplies. Furthermore, the regulated handler has to equalize his utilization with other handlers and his producers are paid on the basis of a uniform price reflecting the utilization in the market as a whole rather than his individual utilization."

Thus, a compensatory payment, such as the Court suggests, based on the difference between the fluid price and the blend price obviously would do nothing at all to wipe out the advantage that the outside handler has because of his higher fluid-surplus ratio which is due, as shown above, to (1) the fact that the pool carries part of his area's surplus and (2) the fact that he does not have to equalize his own utilization as do pool handlers. Only a compensatory payment which gives the outside handler less for his surplus milk than the pool farmer gets will narrow the competitive advantage which outside milk has. A compensatory payment based on the difference between the fluid price and actual cost, the other alternative suggested by the Court, would obviously be even more subject to the same defect than the fluid-blend price compensatory payment. See also "Hutt, Restrictions on the Free Movement of Fluid Milk Under Federal Milk Marketing Orders," 37 University of Detroit L.J. 525, 573–576, particularly at note 220.

try to formulate a sound substitute for the compensatory payment plan which the Court strikes down—a regulatory plan which represents more than a quarter century of daily practical experience in administering the congressional farm plan. Thirdly, in any event the Court's vague intimations that some compensatory payment plan might be valid are hardly sufficient to furnish the Secretary with any guidance at all as to what formula if any the Court would permit him to use to protect the farmers in this pool from the effects of being compelled to compete with outside "free riders."

I think that if the Court really does believe that the Secretary has any power at all to prevent pool farmers from being subjected to discriminatory competition from outside "free riders" it should state in clear and precise terms what those powers are and inform the Secretary how he can meet this Court's requirements. The Court should then remand this case to allow the Secretary to take the action which it will approve, permit him to determine the amount that he could properly under its standards have required these handlers to pay and direct that the District court pay over that amount to the Secretary out of the funds now in its possession. This plan would at least offer the farmers in this pool some protection against having to pay out all of the more than $700,000 in compensatory payments which has already been collected from these handlers. Such a plan was followed in *United States* v. *Morgan*,[18] and there is every reason in equity and good conscience why it should be followed here. In that case the District court enjoined an order of the Secretary but required the party challenging the order to pay into court sufficient funds to effect compliance with the order if it should ultimately be found valid. This Court found the order defective but nevertheless ordered the District court not to return the fund, which then contained over a half million dollars. On the contrary, over strong dissents urging that the Secretary only had power to issue a new order for the future, this Court commanded that the fund be retained until the Secretary could make new findings and enter a new order so that the fund could be disposed of under a proper determination of the Secretary, stating that:

"Due regard for the discharge of the Court's own responsibility to the litigants and to the public and the appropriate exercise of its discretion in such manner as to effectuate the policy of the act and facilitate administration of the system which it has set up, require retention of the fund by the district court until such time as the Secretary, proceeding with due expedition, shall have entered a final order in the proceedings pending before him." [19]

Following this decision the Secretary held new hearings, made new findings and entered a new order, according to which this Court in a later *United States* v. *Morgan* [20] ordered the more than one-half-million-dollar fund distributed.

Despite the fact that the Court purports not to pass either on the validity of requiring all handlers to bear the full burdens of pool membership or upon the ability of the Secretary to apply against these handlers any future scheme of regulation which meets the Court's standards for the period here in question,[21] it seems clear that in failing to follow the Morgan procedure the Court in effect rules against the Secretary on both these questions. This is because the Court's refusal to pass specifically on these questions leaves standing the district court's holding that the Secretary cannot require these handlers to bear the full burdens of pool membership for the period during which the compensatory payments struck down here were made. The regulation under which the Secretary claims that these handlers are subject to the full burdens of pool membership is a part of the same section [22] as the one under which the handlers made the compensatory payments of which they complain. That section provides that all handlers like petitioners are pool handlers and required to bear all the burdens of pool membership unless they elect to be nonpool handlers and make compensatory payments. The Secretary's contention is that once the part of the regulation which provides for the compensatory payment is struck down, as the Court does here, the remainder of the regulation which requires all handlers to be pool handlers applies. By remanding this case to the district court which has already ruled adversely on this claim the Court without so much as saying a single word on this point effectively prevents the Secretary from trying to protect pool farmers from free-riding outside milke by treating these handlers as pool members for the period here in dispute.

The full effect of the Court's failure to follow the Morgan procedure and decide whether the Secretary's provisions for full regulation of these handlers are valid, or just what the Secretary could do to protect the prices he has fixed, is in my opinion likely to be a wholly unjust and inequitable windfall of over $700,000 to the handlers, since it will ultimately have to come out of the pockets of the farmers who bear the burdens of this pool. How many more such windfalls to other handlers involving how many countless thousands of dollars in this and the other 22 similarly situated pools the Court's action will bring one can only guess.[23] One familiar with the act and its history need not guess, however, about the fact that such a result would have been abhorrent to the Congress which passed this act for the benefit of farmers. I would affirm the decision of the court below which upheld the Secretary.

Mr. CURTIN. Mr. Chairman, I am in very definite opposition to the amendment of the gentleman from New York [Mr. STRATTON] which would seek to add compensatory payments to the milk marketing orders.

This amendment seeks to upset a decision of the U.S. Supreme Court handed down earlier this month. The litigation which precipitated this decision originated in the district which I have the honor to represent. Because of my familiarity with this matter, I feel that it might be helpful to the members of this committee if they knew these facts which resulted in this decision and which is now sought to be upset by this amendment.

For a period of approximately 25 years the handlers of milk, much of which was produced in Pennsylvania, disposed of the same in an area in New Jersey adjacent to Phillipsburg. Then the New York marketing order area was enlarged to include this section of New Jersey. Thereupon, the handlers of this Pennsylvania milk, or "nonpool" milk, were informed that they must pay an amount into a fund for the benefit of the producers in the area of the marketing order, or the producers of the "pool" milk, if they were to continue to serve such area. This amount was designated as a "blend price" and computed by a rather complicated ratio using the price of the different classes of "pool" milk. This "blend price" was, in this case, fixed at $2.78 per hundredweight. Now we find that the handlers of the "nonpool" milk were paying $6.40 per hundredweight, while the handlers of the "pool" milk were only paying $6.23 per hundredweight at the time in controversy; namely, August 1957. Thus it can be seen that to handle "nonpool" milk, the handler had to pay $6.40 per hundredweight, plus the penalty of $2.78 per hundredweight, or a total of $9.18 per hundredweight, while the handler of the "pool" milk only paid $6.23 per hundredweight.

The Supreme Court held that the intent of Congress was to prevent an influx of cheap milk into an area, not to prevent competition. Therefore, this amendment is now offered to make such type of compensatory payments permissible as a part of a marketing order. Obviously, I feel that this amendment should be defeated, for, if adopted, it will certainly be an invitation for trade barriers.

Mr. LINDSAY. Mr. Chairman, I note that the friends of the gentleman from New York [Mr. STRATTON] on the Democratic side of the aisle voted down overwhelmingly the amendment offered by the gentleman.

I think that the gentleman helped defeat his own amendment, because he chose yesterday on the floor of the House to make this a political issue rather than a discussion on the merits. In the gentleman's remarks yesterday he indulged in an all-out attack on Governor Rockefeller of New York. He said that, although he, Mr. STRATTON, had introduced this amendment on June 15, to help the dairy farmers, he had "heard nothing from the Governor of New York." The gentleman went on to say the Governor "has done absolutely nothing to help the dairy farmers of New York State." Then he announced he had wired the Governor and challenged him to line up Republican members of the New York congressional delegation.

Well now, Mr. Chairman, this is pretty big talk.

It is not only a flagrant display of pure politics, it is untrue. It so happens that the Governor of New York was way ahead of the gentleman from New York [Mr. STRATTON] and has been well on the way toward accomplishing the same results, quicker, by more effective means, and with the cooperation of the Secretary of Agriculture, which the gentleman from New York can't claim for his amendment because the Secretary opposes it in this bill.

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[18] 307 U.S. 183. Cf. *Inland Steel Co.* v. *United States*, 306 U.S. 153.

[19] 307 U.S., at 198.

[20] 313 U.S. 409.

[21] The Court's citation of *Morgan* v. *United States*, 304 U.S. 23, as purported justification for its avoidance of this issue is particularly appropriate, and I fear prophetic. For in large part due to this Court's avoidance of a similar issue in the Morgan case, that case wandered through the courts for almost 8 years, including four trips to this Court.

[22] 7 CFR sec. 1002.29(d).

[23] A suit involving the provision of the Cleveland order similar to the one struck down here has already found its way into court. See *Lawson Milk Co.* v. *Benson*, 187 F. Supp. 66, appeal pending.

Long before the gentleman from New York was given the amendment by someone and was told there was political advantage in offering it, Governor Rockefeller of New York and Governor Hughes of New Jersey, on a bipartisan basis, had gotten in touch with the Secretary of Agriculture and requested that action be taken to overcome the Supreme Court decision on compensatory payments. At the request of the Governors, the Secretary appointed a bipartisan committee of five, all experts, from the two States to make recommendations on the subject. They are in fact meeting with the Secretary on Tuesday next and will recommend administrative action.

It seems assured that administrative action will be taken. If it should turn out that legislation is needed, which is doubtful, it will be done by a separate bill. Both Governors and the Secretary of Agriculture are agreed it should not be done in this bill.

Mr. Chairman, the amendment offered by the gentleman from New York should have been debated on the merits. The Republican members from the milk areas in fact favored it. But the gentleman from New York [Mr. STRATTON] chose rather to make a false political issue out of it, which contributed as much as anything that his own side of the aisle did to defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. STRATTON].

The amendment was rejected.

Mr. GOODELL. Mr. Chairman, I deplore the fact that an amendment as important as that just offered by the gentleman from New York could not, because of the parliamentary situation, be explained. Mr. STRATTON was not permitted to say a single word to the House and although he can place his written remarks in the RECORD, that is a poor substitute for the spoken word. Those of us who might disagree with some things Mr. STRATTON says, cannot know what he has said until we read it in the RECORD tomorrow. The amendment was overwhelmingly defeated by Mr. STRATTON's own Democratic colleagues who control this House by a 3 to 2 margin. No New York Republicans had a chance to be heard, any more than Mr. STRATTON did. This is indefensible legislative procedure. Although I supported Mr. STRATTON's amendment, along with my New York Republican colleagues, I think the amendment was not well thought out as to form or timing. I hope and trust that the Secretary of Agriculture will proceed now to correct the situation with reference to the Supreme Court's decision by administrative action, as he has the power to do. Now, Mr. Chairman, as to the legislation before us. Mr. Chairman, the best word I can think of to describe this farm bill is the word obnoxious. Its repercussions in the farm economy are hard to exaggerate. It attempts to reduce surpluses by reducing farmers to lackeys of the Government. It virtually abandons the last vestige of reliance on the law of supply and demand.

Mr. Chairman, for the first time on any major piece of legislation since I came to Congress, I have not received a single letter or communication from my own district in favor of the legislation. The farmers and nonfarmers alike in my area understand pretty well what this bill spells out. It is the beginning of the end for freedom and self-reliance on the farm. My people oppose this bill angrily and indignantly. And let me issue a warning to you Democrats who apparently, under great pressure from the President and Secretary of Agriculture, are going to vote for this bill. If you pass this bill, you are going to have a long time to live with it and regret it. You are making a terrible mistake, and I think most of you know it, even though your votes will not reflect it. I am sorry for you but I am a lot sorrier for our farmers who are going to be the real sufferers.

Mr. SMITH of Iowa. Mr. Chairman, I have an amendment at the Clerk's desk which I offer at this time.

The CHAIRMAN. The Clerk will report the amendment.

Mr. DOLE. Mr. Chairman, I have a preferential motion.

The CHAIRMAN. The motion is not in order because no action has been taken since the last identical motion.

The Clerk will report the amendment offered by the gentleman from Iowa.

Mr. DOLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DOLE. We just voted on the amendment of the gentleman from New York [Mr. STRATTON] and it was defeated.

The CHAIRMAN. The amendment was defeated and did not prevail.

The Clerk will report the amendment offered by the gentleman from Iowa [Mr. SMITH].

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 23 delete lines 4 through 10 and insert the following:

"(c)(1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm during the base period, tillable acreage, crop-rotation practices, types of soil, and topography and adjusted pursuant to subsection (d) of this section."

On page 40, between lines 18 and 19, insert:

"SEC. 3601. Notwithstanding any other provision of this part, (1) no referendum shall be held with respect to the national marketing quota proclaimed by the Secretary for the marketing year beginning in the 1963 calendar year, (2) the penalty provisions of section 360h shall not apply to feed grains of the 1963 crop, and (3) the penalty provisions of section 360j(a) shall not apply with respect to acreage required to be diverted from the production of feed grains of the 1963 crop."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Iowa) there were—ayes 47, noes 120.

So the amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. MATTHEWS: Page 36, beginning on line 4, and page 60, beginning on line 21, strike out item (1) and insert:

"(1) that the diverted acres shall be devoted to conservation uses that will maintain the land free from erosion, weeds, insects and rodents as approved by the Secretary: *Provided*, That summer fallow and idle land will not be considered a conservation use of farms that did not follow such conservation uses during 1959 and 1960;".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. MATTHEWS) there were—ayes 103, noes 89.

So the amendment was agreed to.

Mr. DOLE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DOLE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. DOLE. I might say first of all, I hate to strike out the enacting clause as it is the only thing in this bill which has not been changed, but I do have several amendments at the desk which I hope will be adopted for they are very important to the people in Kansas and throughout rural America.

I recognize everybody wants to go home, but these are important amendments. For example, we have one which would give the farmer the absolute choice on the interchange provisions of this bill with reference to feed grains and wheat acreage. The farmer would decide instead of the Secretary of Agriculture.

We have another changing the base period from 5 to 10 years. Under this bill the base period has been changed from 10 to 5 years. This costs the State of Kansas over 120,000 wheat acres. You are asking us, the historic producing area, to take a cut of not 10 percent or 20 percent but 21.3 percent.

I think every State has by now been exempted from most provisions of this bill, with the possible exception of Kansas, Nebraska, Illinois, Iowa, Colorado. Aside from these, everyone else has been taken out of the bill in one way or the other.

I also have an amendment which would state this law shall not be operative until the Billie Sol Estes investigation has been completed. This may be important and I assume it will be agreed to without much question.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Chairman, I, too, have an amendment at the desk.

Mr. Chairman, the purpose of the amendment I have offered is to require that before a feed-grain control referen-

dum would be binding and marketing quotas and acreage allotments imposed on farmers that at least 50 percent of the feed grain producers eligible to vote actually do vote and participate in the referendum. Then it would follow that half of those eligible to vote would participate in the referendum and, of these, two-thirds would have to vote in favor of the referendum to get approval. If this amendment prevails, I also intend to offer a similar amendment to the wheat section of this bill.

Many times during the hours we have been in debate on this farm bill, various speakers have stated that, after all, the farmers will have a chance to decide whether or not they want these control programs because two-thirds of them will have to vote in favor of the referendum before it can go into effect. None of the speakers have pointed out that this means only two-thirds of those voting are required to vote affirmatively to put these control programs into effect on all the feed grain and wheat farmers of this Nation.

All too often in the past, Mr. Chairman, the "tail has wagged the dog" in wheat referendums because only farmers subject to marketing quotas were eligible to vote, with numerous farmers ineligible. Of those eligible only a small percentage actually have turned out at the polls to vote in the referendum, with the result being that from 5 to 10 percent of the total wheat farmers in the Nation decide upon the establishment of the wheat program.

For example, in the 1962 referendum, of the 1,042,473 farmers eligible to vote, only 278,515 actually voted. Of this total number, 79.4 percent voted "yes" and the rest voted "no." Thus 218,515 wheat farmers out of the Nation's 3 million, or only about 7 percent, decided the outcome of last year's wheat program.

If the bill that is before us today becomes law, I feel that it is very important that the voting requirements spelled out in my amendment should become part of the legislation. We are offering the feed-grain producers and the wheat farmers of America brandnew and strict control-type programs in this bill. As has been stated many times during the debate this week, the alternatives offered in these referendums could hardly be described as real alternatives. But the choices must be made, and, once the die is cast, then the million or more farmers who will have to live under the program will have to do so for an indefinite time to come.

I feel that in this bill we are asking the American farmers to make the most crucial vote on farm programs that they have ever been asked to make in the history of our country. Certainly it follows, therefore, that at least one-half of those who will be affected for the years to come should participate in the vote. Furthermore, the majority party, which has worked out these programs for the farmers, claims that they will achieve certain objectives. It would seem to me that these objectives could not possibly be reached unless the farmers are willing to cooperate and try to help the program work. It is apparent to me that it is just asking too much of human nature to expect our farmers to cooperate with a program unless they feel they have actually made a real majority choice to accept it. I do not see how any program can work well if the greatest majority of those who are living under it feel it was forced upon them by the minority. I hope this body will support my amendment because I believe it is the only way we can bring some democracy into the so-called democratic choice offered by the administration.

(Mr. QUIE asked and was given permission to extend his remarks in the RECORD just before the vote on the Stratton amendment.)

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Ohio.

Mr. LATTA. I also have an amendment pending at the desk, and I wish the membership would pay particular attention to it, because it will save a lot of money by putting a $25,000 ceiling on the amount of wheat certificates which can be paid to any one producer in any 1 year.

(Mr. DOLE asked and was given permission to extend his remarks in the RECORD preceding the vote on each amendment.)

(Mr. CURTIN asked and was given permission to extend his remarks in the RECORD immediately preceding the vote on the Stratton amendment.)

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Nebraska.

Mr. BEERMANN. The gentleman stated that Kansas lost 120,000 acres of wheat. May I say that Nebraska would lose 69,000 acres under this bill.

(Mr. NELSEN asked and was given permission to extend his remarks in the RECORD following the reading of his amendment that will be offered.)

Mr. ABBITT. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Kansas.

Mr. Chairman, I hope the motion will be defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Kansas [Mr. DOLE].

The preferential motion was rejected.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: Page 72, line 11, after the period insert *"Provided,* That the Secretary shall not in any one year issue to any producer or producers on any farm wheat marketing certificates having a value in excess of $25,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. LATTA].

The question was taken; and on a division (demanded by Mr. LATTA) there were—ayes 145, noes 101.

So the amendment was agreed to.

Mrs. MAY. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mrs. MAY: Page 28, line 20, after the word "quotas" insert the words "or that less than one-half of the feed grain farmers eligible to vote in the referendum failed to vote in such referendum,".

Page 56, line 20, after the word "quotas", insert the phrase "or that less than one-half of the wheat farmers eligible to vote in the referendum failed to vote in such referendum,".

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Washington [Mrs. MAY].

The question was taken; and on a division (demanded by Mrs. MAY) there were—ayes 123, noes 149.

So the amendments were rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: Page 25, line 7, after "acreages" strike out the semicolon and insert a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period in order to permit the full utilization of any acreage allotment in effect for any commodity on the farm."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: Page 38, line 8, after "Malting barley", insert "other annual field crops for which price support is not made available.", and on line 18 change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. JENSEN moves that the Committee do now rise, and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. JENSEN. Mr. Chairman, I have on several occasions today attempted to get the floor, but it seemed that through some fancy maneuvering I have been counted out.

Now, of course, I must say that I have never seen such a spectacle as I have witnessed on the floor for the past 3 days in all of the 24 sessions I have been in Congress. But, of course, this is a free country, and everyone has the privilege to act sort of as they please. But I have an amendment at the desk, Mr. Chairman, which has in the past years been known—a similar amendment—as the Jensen rider to appropriation bills.

This amendment is very simple and I am sure that most of the Members here have voted for it on other occasions. It simply provides that not more than one

vacancy out of four may be filled in the Department of Agriculture personnel until such time as the budget figures submitted by the Department of Agriculture have been reduced by 5 percent. I took this means of getting a little time before my amendment is offered to explain the importance of it. It will save at least $27 million. It will reduce the number of 90,000 now employed or represented in the budget requests for personnel in the Department of Agriculture by approximately 4,500. The average wage of those people is $6,000, making approximately $27 million.

Not a single person now employed in the Department of Agriculture will be taken off the payroll—not one. They have a turnover in that Department of around 14 percent per annum. The reduction in force will be effected simply by not filling vacancies caused by death, retirement, resignation, and so on. It is done by the attrition method. It will be good for the employees of the Department.

I have never explained it to one of them who did not agree with this method of reducing employment to a figure that is completely justified. If my amendment provided for a 10-percent reduction it would still be completely justified.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HOSMER. Mr. Chairman, I, also, have an amendment at the desk that would provide that the provisions of this monstrosity if enacted would expire at the end of 3 years and that the other agricultural support laws would be repealed at that time; also, that the Commody Credit Corporation would be given authority to make an orderly and complete disposition of all surpluses on hand. That amendment will come up under title 5.

I am afraid the procedure will be similar to what has so far occurred. So I hope those who wish to stand up and be counted against farm price support, against what this House is doing today and the spectacle it is making of itself will, when this amendment comes up, stand up and be counted to get rid of a mess.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

Mr. BASS of Tennessee. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I do this merely to say that the amendment that the gentleman from Iowa [Mr. JENSEN] has discussed might be appropriate on an appropriation bill but certainly not on an agricultural bill.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. JENSEN].

The preferential motion was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 33, line 2, insert a period after the word "feed grains" and strike the balance of line 2 and all of lines 3, 4, and 5.

Page 57, line 14, change the comma to a period after the word "feed grains" and strike the balance of line 14 and all of line 15.

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 61, line 19, after the word "share" strike the period and insert the following:

"*Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty."

Page 67, line 6, strike lines 6 through 12 and insert the following: "(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

Page 72, line 25, strike line 25 and page 73, line 1 strike lines 1 through 9 and insert the following:

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 399 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty."

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. DOLE) there were—ayes 109, noes 169.

So the amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 64, line 9, insert the following:

"(k) Notwithstanding any other provision of law, the farm acreage allotment for wheat shall not be reduced on any farm below such acreage that would result in the producers on such farm idling more than one-half of the cropland on such farm."

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 35, line 16, strike everything after "1963" through and including line 19 and insert in lieu thereof the words ", 1964, and 1965 crops."

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amedment offered by Mr. DOLE: Page 52, line 23, strike lines 23 through 25 and renumber the subsequent subsections accordingly.

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 72, line 11, strike out the period and insert the following:

": *Provided,* That each producer shall have the option to retain and carry forward to a subsequent year any wheat marketing certificates issued under this Act and in such event the Secretary shall adjust the farm acreage allotment accordingly in such subsequent year".

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 15, line 17, immediately preceding the word "subtitle B" insert the following:

"Notwithstanding any other provision of law, all the provisions of this title IV shall remain inoperative until the completion of the investigation of the Billie Sol Estes case by the Subcommittee on Intergovernmental Relations of the House Committee on Government Operations and the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations and both such committees have filed the reports and recommendations on such investigation with the House of Representatives and the Senate respectively."

Mr. BASS of Tennessee. Mr. Chairman, I make a point of order against the amendment. It is not germane to the bill and deals with the activities of other departments and does not come within the purview of this bill.

The CHAIRMAN. The point of order is overruled.

[Mr. DOLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The question is on the amendment.

The question was taken, and on a division (demanded by Mr. DOLE) there were—ayes 126, noes 182.

So the amendment was rejected.

Mr. BATTIN. Mr. Chairman, I offer an amendment which is at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Montana.

The Clerk read as follows:

Amendment offered by Mr. BATTIN: Page 81, line 52, insert the following:

"SEC. 425. Notwithstanding any other provision of law, the Secretary shall not proclaim acreage allotments and marketing quotas on wheat or feed grains for any farm within any area which he finds has suffered substantial damage due to severe drought, flood, or other natural disasters within the previous year. In the event that the Secretary makes such a finding, price support on wheat and feed grains shall be provided to all producers in such area at the same level that price support is provided to cooperators on feed grains or certificate wheat outside such area."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. NELSEN. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 24, line 15 after the word "years" strike out "1959 and 1960" and insert "1956 through 1960" and on page 24, line 19, after the word "the", strike out the word "two" and insert the word "five."

Mr. NELSEN. Mr. Chairman, it has long been my contention that the establishment of a feed grain base on the year 1959 and 1960 only produces many serious situations for many producers. Many farmers have practiced crop rotation as well as summer fallow. In many cases some parcels of land are as a result of the criteria used, without any base whatever. The use of a 5-year period would improve the situation at least to some degree.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. NELSEN) there were—ayes 88, noes 167.

So the amendment was rejected.

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 60, line 13, after "rates" strike out the period, insert a comma, followed by: "but in no case less than an amount equal to interest on investment plus assessed real estate taxes."

Mr. NELSEN. Mr. Chairman, under provisions included in this bill there would be a phaseout of payments for land retired from production. The farmer must pay taxes as well as interest on his investment. It is quite evident that because of the many loopholes already adopted, for example, deficit areas, 40-acre exemptions, the Midwestern States will be bearing the great brunt of forced land retirement. It would only seem plain that the farmer should receive no less than interest and taxes on his investment.

I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The amendment was rejected.

The CHAIRMAN. Are there any further perfecting amendments? If not, the question is on the substitute offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 122, noes 224.

So the substitute was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V—GENERAL PROVISIONS

SEC. 501. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) by striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities", and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 502. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: Page 88, line 13, change the comma to a semicolon and strike all of line 14 and the words "or sewer" on line 15.

Mr. HOEVEN. Mr. Chairman, this amendment would simply prohibit the Federal Government from going into the sewer business. Under the Department of Census definition, a rural area is defined (1) a community of under 2,500 people. The Farmers Home Administration followers the census definition, but in this title FHA loans may be made for sewers for cities and towns without limitation as to size. It seems to me we are going a long way, in view of the many demands that are being made on the Farmers Home Administration, to now engage in the sewer business. We have already found in title I that we are permitting the Federal Government to participate in financing putting greens, swimming pools, ski lifts, tennis courts, merry-go-rounds, and now it is proposed to put the Federal Government into the sewer business. I think it is ridiculous, and I hope my amendment will prevail.

Mr. COOLEY. Mr. Chairman, the amendment presented by the gentleman from Iowa [Mr. HOEVEN] would continue the land retirement provisions of the 1962 feed grain program and the price-support eligibility rules, but it would provide that cooperators could get 15 cents per bushel for every bushel of corn, barley, or grain sorghums they produce. This payment, in lieu of price support, would have to be made in kind.

As I understood the amendment, it would force more feed grain on the market than either the 1962 program or the mandatory program proposed under H.R. 11222. In turn, this would depress prices for feed grains and would tend to encourage farmers to retire the minimum acreage for eligibility for price support. When this provision is coupled with the wheat and feed grain disposal program farmers would divert minimum acreage and seek price supports on all feed grains produced.

Instead of a 40-percent diversion of acreage as under the 1961 program, producers probably would divert less than one-half that amount. This would add to feed grain supplies, stocks, and downward pressure on market prices.

Moreover, Government costs under such a provision would be increased materially. This 15-cent payment would add at least $150 million in cost over and above the acreage diversion payments. This would increase the total cost, without consideration of the added loss under the disposal section, to a greater amount than the diversion payments anticipated under H.R. 11222 as reported by our committee.

In addition, the income to the individual farmer would be much more dependent on direct Government payments than under either the present voluntary program or the program included in H.R. 11222.

It would be practically impossible to expect CCC to market certificates on behalf of producers at the level required, that is at 105 percent of the support price plus reasonable carrying charges, especially in view of provisions under subtitle C. Even without subtitle C, the increased production by noncooperators would keep the market price well below the support price. This simply means that the 15-cent payment-in-kind in effect becomes a cash payment which would be met from appropriations in advance of any expenditures by the CCC.

It would be impossible for producers, feeders, exporters, or anyone else to anticipate market prices with sufficient assurance to conduct normal operations.

Mr. Chairman, for the very practical reasons I have stated, I urge the House to reject the Hoeven amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 128, noes 202.

So the amendment was rejected.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. I wonder if the chairman of the Committee on Agriculture would explain now just what is in this bill?

The CHAIRMAN. That is not a parliamentary inquiry, I will remind the gentleman from Minnesota.

Mr. SCHWENGEL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a moment for a unanimous-consent request?

Mr. SCHWENGEL. Just for one moment, please.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 5 minutes.

Mr. HOSMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 10 minutes.

Mr. SCHWENGEL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. Mr. Chairman, I refuse to yield any further.

The CHAIRMAN. The gentleman declines to yield.

Mr. SCHWENGEL. Mr. Chairman and Members of the House, for 3 days I have been listening avidly to the debate and to the political talks here in this House. I will tell you that I am more confused now than I have ever been. I have never seen such a demonstration in a legislative hall in my life. I am not exactly new in this business. I have been here in the House of Representatives for some 8 years, and I was in the Iowa Legislature for a period of 10 years, but I have never seen such a demonstration as I have seen here today.

Mr. Chairman, some questions come in my mind now, and I would like to ask just a few questions—one of whomever can answer, and that is this: How many amendments have we added to this bill since it has been brought to the House floor?

Perhaps the chairman of the Committee on Agriculture could answer that question.

Mr. COOLEY. The gentleman is asking me to answer the question?

Mr. SCHWENGEL. Yes; how many different amendments have there been?

Mr. COOLEY. The gentleman may ask the Clerk of the House for that information. I have not been keeping a record of them.

Mr. SCHWENGEL. I would like to have any record that can be had on this question at this time.

Mr. Chairman, on June 19 of this year I received a letter from the Secretary of Agriculture calling attention to some important legislation.

He pointed out that the legislation we had was too costly for the taxpayers. As I recall, last year when we had the feed grains bill before the House they testified that it would save money. It has not done so, by their own admission. It has cost a lot more than even we said it would cost. Now the same administration is recommending something else that I contend is no real answer to the farm problem.

I represent one of the finest agricultural areas in the whole United States. The people I represent are very much opposed to this legislation. I have I do not know how many files of correspondence that I have received since this bill has been introduced. I can show you the letters and you will see how out of some 100 there are only 3 in favor of this legislation.

I think I know why; because we have an intelligent constituency and they have been worried. Let me give you a sample of some of the letters. Listen to this one. This comes from a man who I know is a genuine, sincere American citizen and who has given a lot of thought to the farm problem and to this bill.

DEAR SIR: I am writing to let you know what I think of the new farm program. Mr. K. of Russia should be very pleased to see this—Big Government choking people. I am a small farmer and the 1961 feed grain program cost me over $1,000 on 1960 corn. I never could see how a leader could get control of people—like Hitler and Mr. K. of Russia have. I can now see how it is done.

From another friend in my district, another man I know, in Mechanicsville, Iowa:

DEAR SIR: I would just like to know whether Congress thinks a Yankee farmer would work any better under Government supervision than a Russian or Chinese farmer does?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SCHWENGEL] has expired.

Mr. SCHWENGEL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SCHWENGEL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BASS of Tennessee. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BASS of Tennessee. No action has been taken on the bill since the last preferential motion was voted on.

The CHAIRMAN. This is title V, a new title, taken up since the last action was taken.

The gentleman from Iowa is recognized.

Mr. ALGER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. SCHWENGEL. I yield.

Mr. ALGER. Mr. Chairman, my parliamentary inquiry is a simple one. Since the gentleman from North Carolina, the chairman of the House Agriculture Committee, does not himself know, from his own admission to the gentleman from Iowa, the number of amendments that have been proposed, my question is how can we Members know how this bill has been amended, without asking for an engrossed copy?

The CHAIRMAN. That is not a parliamentary inquiry; but if the gentleman had been present, he would have known how many amendments were voted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the distinguished gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I might say for the information of the Members of the House, because I think it is significant the way this bill has come before us and what has transpired, that I made inquiry at the desk and learned that 9 committee amendments and 22 other amendments have been adopted since this measure has been under consideration on the floor of the House in Committee of the Whole.

I must say that it indicates what some of us pointed out earlier; either the committee did an awfully poor job or for reasons that I think are beginning to be quite apparent, a whole deluge of amendments were adopted, the consequences of many of which no one can really know.

Again, may I say, that is a very good reason why this bill should be recommitted when the motion is made.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. No.

Mr. COOLEY. The gentleman asked a question. Since amendments have been offered, I think 24 have been adopted.

Mr. SCHWENGEL. Mr. Chairman, I want to show you this book. This will show you why the farmers in my area are against this bill. This is an interview with Dr. Willard W. Cochrane by Charles R. Koch, published in the Farm Quarterly, the autumn 1960 issue, under the title, "Will You Need a Franchise To Farm?" That is what you are leading up to. That is what you are putting the farmers into with this kind of legislation.

I want to confess to you people over here that my arm has been twisted and I have had pressure, but I will tell you the kind of pressure. It was not from any person on this side, but it has been the pressure of conscience, and it has been bearing heavily on me because we are tampering with freedom in this kind of legislation, and we ought not to be identified with any program that would take freedom away from people. Rather, we ought to be identified with programs that could give freedoms to people.

We have had some plans before the Committee on Agriculture. I introduced a bill very early in the session. I asked for some hearings on the bill. They went through the motions and finally gave me 5 minutes on a bill I worked 5 weeks in preparing. It was nobody's bill but my own, and it had some answers that are sound answers and real answers, and had some answers that were agreed to by the great farm population that I represent. But we could not get a hearing. So I say we are in bad shape when we have to present to the American farmer legislation of this type.

We have heard a lot around here about some scandals, and we have them in the Agriculture Department, though we have done nothing about them. We have not made any honest attempt to get at the problem that the Billie Sol Estes case points up. Right after that happened I introduced a resolution to call for the

creation of a joint bipartisan committee to investigate this case and the entire Department of Agriculture. I think there is plenty of evidence to prove that this is necessary.

I recognize that to legislate with success is difficult. But as a Representative of a farm area, I could not help being interested in the farm problem—therefore I have introduced some legislation which I believe have merits. So let it not be said that we have no ideas about solutions to the farm problem on this side.

When this administration came into power, they gave us our farm program which now turns out to have been a temporary program and it has proved to be very ineffective in meeting the problems that plague the farm economy.

In addition, it has proved to be so costly that even they cannot stand it. So, in order to get more controls and thereby be consistent with what has become the so-called New Frontier philosophy, they are now sponsoring a system of tight controls on the production of wheat and feed grains.

In this bill, I see controls which have never been matched, even in periods of emergency.

It can be proven, beyond question, Mr. Chairman, that H.R. 11222 is more drastic and far reaching than any yet attempted in the whole history of the Federal farm program.

And, if passed, it will, in my opinion, prove to be disastrous both to freedom and to the prosperity of the farm economy.

It may be well to suggest that the farm bill now before the Congress reflects the administration philosophy that all of our economic problems may be solved by concentrating additional power and control in Washington.

And, further, I suggest that the only thing new about the New Frontier is that it is a new version of the New Deal and the Fair Deal which has proved to be a poor deal for the American system and for the American people.

We ought to know now, if we will but pause and think, that bureaucracy and regimentation are very poor answers and certainly they are no cure-all.

Mr. Chairman, it is unfortunate that this bill comes before us on the eve of an exposé which may prove to surpass the worst scandal this country has ever seen.

May I suggest, that while the Billie Sol Estes case is far removed from Washington in miles, it is mighty close in other ways and in my humble opinion it is a lot bigger than Billie Sol for this is merely a symbol of something much bigger and far more important.

We ought to realize now, as never before, not only from Billie Sol but from the trend in Washington, that we have been steadily giving a few people the power to decide "who gets it"—and I mean money.

As it has been pointed out in the July issue of the Farm Journal this year:

> The grain storage facilities in this country are now greatly overbuilt. Everybody wants the storage business, and there isn't enough to go around. Somebody in Government now decides who gets it; in other words who will be allowed to make money and who goes broke.
>
> Nearly everybody wants more acreage allotments, which again are nothing but the right to make money or not make it. Agents of Government would now decide who gets it. Historic bases are used as guidelines, but somebody still decides what to do about the numerous appeals. This is no reflection on county ASC committemen, most of whom are doing their best with a tough job, and some of whom are pretty unhappy with what the State ASC office has handed their county. We're talking about the whole permit system.
>
> Secretary Freeman wanted to put dairymen in the fix of taking "rights" from the Government, too. This turned out to be too hot to handle, but the administration tried, and tried hard, and will doubtless try again.

If this bill passes, you can bet your life that Mr. Freeman and his satellites will try and try and try again to control, control, and control from Washington.

Now, Mr. Chairman, let me point out that the advocates of the present bill urge support for its provisions on the ground that acreage quotas have worked very well for cotton, tobacco, and peanuts, and the logical course is to apply this same procedure to the growing of wheat and feed grains.

There are two fallacies in that approach. First, contrary to popular impression, strict controls have not worked well for cotton, tobacco, and peanuts.

The second fallacy is the mistaken belief that tight controls on wheat and feed grains will cut down production without increasing costs to the Government or to consumers.

The cotton control plan has merely placed an annual economic burden on the taxpayers without solving anything. Because our domestic acreage is rigidly controlled, production abroad has increased enormously.

The National Cotton Council has pointed out that in the 12-year span from 1948 to 1960, production outside the United States nearly doubled while our own output remained relatively stable.

This means that the Federal Government is indirectly subsidizing foreign cotton growers.

To make the situation even worse, our Government pays an export bounty of 8½ cents a pound on each bale exported, which means that American textile manufacturers are paying $42.50 more for each bale of cotton than is being paid by their foreign competitors.

Cotton textile imports and synthetic textiles, rayon, nylon, and other fabrics, are taking an increasingly larger share of the domestic market.

The cotton control plan, then, has put the domestic industry in a vise from which it may never escape.

Its growth has been stunted by legislative action. The present setup has proved a boon for cotton's competitors at home and abroad while the taxpayers are footing the bill.

The same situation in a general way prevails in the case of tobacco. The restrictions on acreage have proved a windfall for foreign growers.

Meanwhile, even with reduced acreage, the Federal Government has outstanding loans on about 500 million pounds of tobacco. The surplus has risen despite the existence of controls.

The program for peanuts involves annual losses which are absorbed directly by the Federal Government.

The growers dispose of all they can in the open market at the current support price and then Uncle Sam takes over the balance. This surplus is either processed into oil or meal, which return about 50 percent of cost, or sold abroad for half price.

These programs are makeshift devices, based on expediency. They have not worked well.

The extension of this licensing system to wheat and feed grains, as the administration wants, would be an error of major proportions.

The experience of years has shown that acreage controls do not solve the problem of overproduction. At the same time they create other economic evils which are harmful not only for agricultural, but for national welfare.

The case against rigid controls on wheat and feed grains was never put better than it was in a letter written by Mr. Charles B. Shuman, president of the American Farm Bureau Federation, to the New York Times. Mr. Shuman summed up his objections this way:

> The farm program advocated by the administration would lead to inefficiency in production, higher cost of food to consumers, and lower per person farm income. These programs not only are unsound from the standpoint of agriculture but also would require restrictions on imports and heavy expenditures for export dumping, both of which are inconsistent with the pending trade expansion legislation.
>
> We can't expect to be very effective in persuading the Common Market to follow policies that will allow room for imports of American farm products when this country is raising its own support prices.

The administration's farm bill, as Mr. Shuman said, will raise the price of food to the Nation's consumers and do it on those staples of everyday diet, bread, meat and dairy products. By its complicated wheat certificate plan, this legislation will raise the price of wheat to millers, force some of them to buy grades of wheat which they don't want, and amount in effect to a tax on the manufacture of bread. The cost of wheat exports will go higher, which means that the added cost will fall, as it always does, on the taxpayers.

The attempt in this legislation to control the production of feed grains will certainly increase the cost to the consumers of beef, poultry and dairy products, and it may bring on the worst bureaucratic chaos in the history of farm legislation. For 16 years, beginning in 1938, the law authorized the application of marketing quotas to corn, a power which five successive Secretaries of Agriculture refused to invoke. The reason was obvious. Finally, in 1954, Congress removed corn from the list of those commodities eligible for quotas.

Now Secretary Freeman seeks the power to do the very thing which his predecessors thought it unwise to attempt, that is apply farm to farm controls on corn production. The whole feed grain business, as every student of

agriculture knows, is unsuited for such a scheme. Only a small percentage of corn, grain sorghums, and other feed grains ever reach the marketplace. They are grown by farmers to feed their own animals. In some parts of the country there is a chronic shortage of such fodder while in other areas these grains are usually in overabundance. Obviously a commodity grown for home use is totally unsuited for production controls, especially when conditions vary so widely from region to region.

But the planners of the Kennedy administration are seldom daunted by facts. They have resolutely set out to do the impossible. They have come up with a complex system of controls for feed grains which must have come right out of "Alice in Wonderland." They have devised one plan for dealing with the feed grain problem in deficit areas and a totally different plan for nondeficit areas. Because this dual-control system is so impossible on its face, the bill is loaded with escape exits. The number of farm acreage allotments under the administration's measure would be doubled, making it the biggest bureaucratic field day in our history. And just to give the final touch of irony, the bill even provides penalties for those farmers found guilty of overplanning to feed their own animals.

The enforcement machinery provided in the bill is so extensive that the whole system is bound to be infected by favoritism, politics and graft. Because of recent disclosures, millions of citizens apparently believe that corruption in the farm program began with the Billie Sol Estes scandal. Actually, corruption is built in because of the nature of the system.

The Freeman farm bill is evidence that the Kennedy administration has given up all idea of drafting a farm program within the framework of the free marketing system. Because controls have failed, they advocate more controls. When regimentation bogs down, they prescribe more regimentation.

There will never be a solution to the problem of farm surpluses until the Government allows the operations of the free market to establish the price of farm products. This can be done by a sound and sensible program that will protect the growers and the consumers while getting the Federal Government out of the agricultural business. Mr. Shuman explained it this way:

> The Farm Bureau favors a reduction in price support levels and a sound land-retirement program to help farmers make the transition to freer markets.

This is meeting the problem in the traditional American way. Since controls and regimentation have bungled the job so badly, why not give the Farm Bureau program a try?

Mr. Chairman, in the hope that the public has a short memory, the majority party is now using the Billie Sol Estes case to smear innocent businessmen, to blacken the names of decent Republicans, and to employ the whole Estes mess to help ram through the administration's farm bill.

The tangled affairs of Billie Sol Estes, and the Government employees whom he apparently subverted, are now being investigated by a subcommittee of the House Committee on Government Operations. The Members of this body had a right to expect that this probe would be conducted in an impartial manner and that its only purpose would be to protect the public's interest. Instead this probe has been converted into a partisan witch hunt, during the course of which certain members of the committee, at least, seem more interested in hunting headlines than they are in hunting evildoers.

This inquiry has been going on now for several weeks. Only a part has been devoted to the Government employees who took gifts from Estes and thus dishonored the public service. One such witness was treated gently and almost with deference. By contrast, almost the entire time has been devoted to a vain attempt to smear a legitimate business concern, the Commercial Solvents Corp., on the sole ground that it sold chemical fertilizers in large amounts to the Estes firms. In this pursuit, the public has been treated for several days to a classic example of indictment by newspaper headline. Each day brings a new sensational charge against Commercial Solvents, and each succeeding edition of the press reveals that the charge was false.

Why has Commercial Solvents been selected as the official scapegoat in this case instead of the evildoers who corrupted the Department of Agriculture and defiled the Federal service? The answer is easy. It has been a time-honored custom of our friends across the aisle to seek to arouse popular mistrust and hatred of legitimate business whenever they find themselves in political hot water. This line of attack, so the reasoning goes, has worked before and it might work again. In line with this theory the country has now been treated to a spectacle in which the innocent have been pilloried day after day, while the guilty got off scot free.

I think it is time that this assault upon the character and reputation of innocent men was stopped. I think it is time that the subcommittee of the House Committee on Government Operations got about its sworn business of exposing the laxness and the maladministration in the Department of Agriculture, under Secretary Freeman, which permitted this Estes case to develop.

After 3 weeks of lurid headlines, what have we got? Sworn evidence that the officials of Commercial Solvents Corp. were not even remotely connected with the scandals which brought Billie Sol Estes into the toils of the law. Sworn evidence that Commercial Solvents had only normal commercial relations with Mr. Estes, and nothing else.

I say to the gentlemen on the other side of the aisle, the Billie Sol Estes case is a Democratic scandal, and you keep it. We do not want any part of it. The Government officials who apparently were bribed and corrupted into wrongdoing were part of the Kennedy administration. The reputation which Mr. Estes built up in Texas as a successful business tycoon was helped immeasurably by politicians, most of them Democrats, who accepted his political contributions in substantial amounts. Wherever he went, Mr. Estes boasted and bragged about his close connections with high officials in the Democratic Party. No one said, "Nay, not so," until, of course, it developed that Mr. Estes might have to spend some time in confinement for his unusual business activities.

The biggest laugh about this business is the attempt of the Democratic leadership to use the Estes mess as an excuse for shoving through the current farm bill. The claim is made, not seriously I hope, that if the bill becomes law surplus food stocks will be reduced, and there will be no more fat storage fees to tempt the weak and the unscrupulous. This is a lot of nonsense.

The biggest fraud Estes pulled was in the manipulation of cotton allotments and this new piece of regimentation for agriculture, which the administration has cooked up, certainly will not end such allotments. On the contrary, it will extend this scheme to two more of the Nation's biggest crops, the growing of wheat and feed grains. The allotment plan at its best is full of discrimination and favoritism, and at its worse it is full of bribery and corruption. An army of Solomons couldn't enforce, with fairness, a law which confers a permanent allotment of great value to one farmer while denying the same to his neighbor across the street. This allotment plan has put the cotton industry into a straitjacket while at the same time cotton growers abroad have enjoyed the greatest boom in history. Now the administration proposes to do the same for wheat. The Freeman farm plan will not end the opportunity for scandal—it will merely enlarge it.

The Democratic tom-toms are beating louder than ever because the Commercial Solvents Corp. employed as a consultant a man named Martin Sorkin, who is an authority on agricultural matters. Here again the record shows that, as far as Commercial Solvents went, this relationship was wholly aboveboard, that he was not asked to lobby by the company or do anything else except report what he considered to be developing trends in agriculture.

If it is wrong to engage Washington consultation of this kind, then every business firm and every labor union in the country should be indicted at once. In these days of high speed and complex economic relationships, the professional consultants outnumber the lawyers.

Yet the House subcommittee trumpeted from the housetops the fact that Mr. Sorkin boasted in a couple of letters to the president of Commercial Solvents that he had been consulted by Republican leaders about farm policy. These private letters were spread on the record in full although there was not the slightest evidence to connect these private communications with Billie Sol Estes. It was evident also that Mr. Sorkin was not engaged as a lobbyist by Commercial

Solvents and that Commercial Solvents took no part in Mr. Sorkin's activities in connection with farm legislation.

The worst crime a committee of this House can commit is to pin the odium of guilt on innocent citizens. Yet this is precisely what has happened at the House subcommittee hearings. This is shoddy, partisan politics.

The Estes scandal revealed that favortism and something far worse are rampant in the Department of Agriculture. It is the duty of Congress to root out the evil-doers and to cleanse the public service. I hope the House Subcommittee on Government Operations will stop its politicking and get about its proper task. In any event, the Estes scandal is a strong argument against the farm legislation now before us.

(Mr. SCHWENGEL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I rise in opposition to the preferential motion.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. HOSMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOSMER: On page 89, after line 4, add the following:

"SEC. 505. (a) All provisions of this Act except subsections (b) and (c) of this section shall expire three years following date of enactment and at that time the following Acts are hereby repealed:

"(1) The Agricultural Act of 1949, as amended (7 U.S.C. 1421 and the following), except sections 410, 411, and 414 thereof, effective with the 1962 crops;

"(2) Title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301 and the following);

"(3) Title VII of the Agricultural Act of 1954, as amended (7 U.S.C. 1781 and the following);

"(4) Sections 202(b), 203, and 210 of the Agricultural Act of 1956 (7 U.S.C. 1852(b), 1853, 1859);

"(5) Section 505 of the Agricultural Act of 1958 (7 U.S.C. 1431a);

"(6) Sections 123, 124, 133, and 134 of the Agricultural Act of 1961; and

"(7) Section 16(d) of the Soil Conservation and Domestic Allotment Act.

"(b) Any right, claim or action which accrued under the provisions of said Acts prior to their expiration or repeal shall not be affected by this Act.

"(c) Notwithstanding other provisions of law the Commodity Credit Corporation is directed, on such terms and under such regulations as the Secretary of Agriculture may deem in the public interest, to sell all agricultural commodities and products thereof, now owned or hereafter acquired by it pursuant to any price support program, at such reasonable prices as will result in the orderly and complete disposition of such agricultural commodities and products."

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make a point of order against the amendment. This amendment goes far beyond the purview of this bill and I make a point of order against it.

Mr. HOSMER. Mr. Chairman, will the gentleman reserve his point of order?

Mr. ANDERSEN of Minnesota. No, I will not, Mr. Chairman.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule. The bill is very broad in its scope.

Mr. ANDERSEN of Minnesota. Mr. Chairman, on second thought, yes, I will reserve the point of order.

The CHAIRMAN. The Chair is prepared to rule.

Mr. ANDERSEN of Minnesota. I thank the Chairman.

The CHAIRMAN. The Chair feels that the amendment is entirely proper and, therefore, overrules the point of order.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mr. HOSMER. Mr. Chairman, I have been waiting 10 years for an opportunity to vote to abolish the farm support program. This particular amendment would give this bill, if it is enacted, 3 years to go and at that time its provisions would expire and so the other price support programs would be repealed. The Commodity Credit Corporation would be directed to dispose on reasonable terms and conditions the supplies of surplus commodities on hand. I very much appreciate the chance to be able to vote on this particular issue. I think many people on both sides of the aisle would like to stand up and be counted. I do not expect the amendment to be adopted, but after 10 years I am delighted to be able to stand up and be counted on this issue.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 87, noes 172.

So the amendment was rejected.

Mr. O'HARA of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will take only a minute. I have a question I would like to propound to the chairman of the committee with regard to the requirement of section 423 of the bill that—

All persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such products.

Most wheat is processed into flour which is either used as human food in this country or is exported. However, not all flour is so used. A substantial amount of flour is used in industrial processes in this country. The end product of the industrial process may or may not consist of food products. In one particular process a portion of the resultant product is used for food purposes and the remainder is not. In addition, a certain amount of the flour is lost in processing.

I would like to know if marketing certificates will be required for all of the wheat milled into flour used in such industrial processes in spite of the fact that all or part of such wheat is finally used for nonfood purposes.

Mr. COOLEY. The Department of Agriculture has assured the chairman of the Committee on Agriculture that in such cases a price adjustment will be arranged either with the millers or the industrial processors of flour in recognition of the fact that not all of the end product is to be used for human food purposes.

Anticipating the gentleman's observations and questions I communicated with the Department of Agriculture.

(Mr. O'HARA of Michigan asked and was given permission to extend his remarks immediately after the vote on the Stratton amendment.)

(Mr. TOLLEFSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. TOLLEFSON. Mr. Chairman, recent revelations in the press convince me that my vote against the sugar bill was correct. According to Jack Steele of the Washington Daily News over a half million dollars in fees will be paid to lobbyists who worked to get the sugar bill approved by the House of Representatives. It was, as he indicated, the sweetest bonanza they have tasted in many years. The fees will be paid by foreign sugar producers who will be the beneficiaries of a huge windfall under the terms of the bill. The fees range from $5,000 to $114,000 according to reports filed with the Justice Department as required by the Foreign Agents Registration Act. Twenty-six foreign nations receive new or increased quotas under the bill. They will be enabled to sell 2½ million tons more sugar to the United States than previously and at the premium price of $56 a ton above the world market price. For example, India would receive its first quota of 130,000 tons. Mexico's quota would be increased from 95,000 tons to 350,000 tons annually. The Fiji Islands would get a quota of 10,000 tons. Haiti's quota would go up from 8,000 to 25,000 tons. On the other hand several sugarbeet growing areas in the United States were given thumbs down on their requests for increased quotas. No wonder more and more Americans are asking who is looking after their interests and welfare. I am glad that I was one of those who voted against this un-American measure. The pending farm bill is not much better.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. MICHEL. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MICHEL. Mr. Chairman, we are getting to that point where we are closing debate in consideration of this bill, and I want to take a moment to make a point or two. I feel an obligation as a member of the Appropriations Subcommittee handling agriculture appropriations, not only to my own side but also to my friends on the other side of the aisle, to make this point.

The chairman of the Committee on Agriculture said a few moments ago that we have adopted 33 amendments to this bill. I would be remiss in my duty if I

did not point out to you the effect of just one amendment, the Johnson dairy amendment.

There is produced throughout this country in 1 year 125 billion pounds of milk. If we should assume that only 10 percent of the milk producers participate in the provisions of this bill as we find it now with the Johnson amendment, on the basis of $2.50 a hundredweight for not producing milk it will cost the taxpayers $300 million a year alone—1 amendment out of 33 that we have adopted here today.

I think we have got to think seriously about this, particularly those from urban centers. I do not know how you can possibly go back to your people and say "I have voted to pay the farmers not to produce milk for your children to drink." I cannot possibly see how you can justify a vote to sustain that kind of amendment, yet that is what we have done here.

That is only one instance. What effect the other amendments will have I cannot predict accurately, but the Chairman has not yet answered my previous questions satisfactorily. This feed grain provision of the bill will cost, in my judgment, better than double what the Secretary told us and I will not be surprised if it is closer to triple his estimate when the bill comes up for consideration the following year.

Mr. COOLEY. Does the gentleman know what estimate the Secretary of Agriculture made on the current program? He said it was almost $600 million.

Mr. MICHEL. In addition to the price-support program.

Mr. COOLEY. In addition? The losses sustained on the program have amounted to almost $600 million. In the program we are proposing we propose that the Government save about $2.50 a hundred. I do not see how the program can be worse than the one we have now.

Mr. MICHEL. You are still going to buy commodities, and there is nothing in here to prevent that.

Mr. COOLEY. The gentleman himself admits that the proposed program is workable.

Mr. MICHEL. I am saying that under the terms of the amendment, exclusive of price supports, this particular section will cost $300 million.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maine.

Mr. McINTIRE. May I say it would be appropriate in the RECORD at this point to say, if my memory serves me correctly, in the fiscal year 1960 the deficiency in the dairy program was about $156 million. It has gone up to the point where the chairman has indicated; namely, in the last year it is close to $600 million. Certainly this is indicative of some very, very serious errors in judgment in the administration at the price support level.

Mr. MICHEL. This has to be attributed to the new Secretary of Agriculture Mr. Freeman because under the old Secretary, regardless of what was said against him, supply and demand were pretty much achieved so far as dairy products were concerned. We were asked before our committee earlier this year to extend those high price supports of Mr. Freeman for the duration of this year. That would have cost $300 million. But we did not go along and rectify the mistake that Freeman made in the first instance by raising price supports and costing the additional money.

Mr. McINTIRE. On January 1, 1961, the inventory of butter, if my memory serves me correctly, in the hands of CCC was zero. At this time it is somewhere in the neighborhood of 400 million pounds.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: After the last word in the bill, add a new section: "*Provided*, That not more than one vacancy out of four shall be filled, until the personnel, provided for in the budget has been reduced by at least 5 per centum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 154, noes 202.

So the amendment was rejected.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN: On page 89, after the last word on line 4, add a new section as follows:

"Notwithstanding any other provision of law, the total number of employees in the Department of Agriculture shall at no time exceed the number of farmers in America."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The question was taken; and on a division (demanded by Mr. ALBERT) there were—ayes 171, noes 230.

So the amendment was rejected.

Mr. WHARTON. Mr. Chairman, let it be said in behalf of Billie Sol Estes, that he has done more to point up the deficiencies of the farm program than anyone in recent times. Here we have something originally designed to help the farmer and assist the consumer, and today we find ourselves principally concerned with a huge storage problem and the disposition of an overwhelming stockpile of grain and other commodities. In 1962, we are told, Estes alone collected almost $3.5 million for storing grain in his elevator at Plainview, Tex. But he was only one of about 10,000 other individuals and companies that collected last year. Handling and storing fees are reported to total $450 million this year and a grand total of $4 billion since 1951.

Now the Attorney General says he has 75 assistants working on the Estes case, but what gets the investigators down is one huge morass of administrative regulations by which the Agriculture Department is governed internally. These rules laid down by Department heads over a long space are so numerous, so complex, and so varied, that they afford sanction for almost any course of action. When bureaucracy becomes so overgrown as to blur the lines so that right and wrongdoings get tangled up in complicated regulations, free government is in danger and practically every farmer who has expressed himself in my area is of that opinion.

So, let us face it and admit that most farm programs leading up to the present impasse have been a flop. The Department of Agriculture needs a real reorganization from top to bottom. We have ample evidence that politics and agriculture do not combine to bring about the desired results. I suggest that the Secretary of Agriculture conduct a house cleaning in his Department and divest himself of this complicated mess. Then, bring in a simple program, devoid of the political implications pointed up in the Estes case, and something that we can support in good conscience.

Agricultural programs over the years have certainly done their share to add to the inflationary spiral, and I find myself obliged to continue in opposition to impractical and unworkable programs such as we have before us today.

Mr. ALGER. Mr. Chairman, before the House votes upon this bill I think we should know to what lengths the administration is going to put pressure upon the Members of Congress. All over this country paid employees of the Department of Agriculture are engaging in illegal lobbying for the administration bill. Mr. Speaker, if we submit to such tactics, if we fail to demand an end to the illegal actions of the President and his officials, we are putting into jeopardy the whole constitutional concept of separation of powers. Let the President send his proposals down here and let them be debated and decided upon their merits. If he dare not do that, this bill should not be passed. Certainly, some action should be taken by this body to put a stop to the practice, which is becoming widespread under the Kennedy administration, of using public money to pay for influencing legislation.

I am in receipt of a telegram pointing out that higher officials of the Agricultural and Conservation Committees are telephoning the ASC office managers urging them to contact local farmers to put pressure on Congress in behalf of the President's farm bill. This is a bald and unashamed violation of the law and I, as one Member of this House, resent it. Only recently at a meeting in Washington at taxpayers expense, the President told a group of these committeemen that they should use their influence in behalf of his bill. The President said:

While you are prohibited by custom and law quite rightly from involving yourselves in any particular program or recommending it, or lobbying it, nevertheless, we do value very highly the communication which goes from here to you, because you are our most direct link with the farmers themselves.

The President further, at the same meeting, said:

We hope you will also see the Members of Congress and acquaint them and the Senators. We don't want them to be as the Secretary said, "lonesome."

This can only mean that the President told the committeemen it was unlawful

for them to lobby the Congress, and then told them to go ahead and do it anyhow. Such suggestions by the President are an insult to Congress. Has he so little respect for this body that he attempt to pressure his programs through using any means, any subterfuge, any violation of law or the Constitution? If we allow him to use the vast power of the Presidency and the vast resources and finances available to the Government to direct the actions of Congress, we are failing the oath we took to uphold the Constitution and the people of the United States, including the farmers, will pay for our failure to stand on principle.

The telegram mentioned earlier is here reprinted showing the pressures being applied:

THREE RIVERS, TEX., *June 19, 1962.*

Senator J. G. TOWER,
Austin, Tex.:

Chancey King, regional director, San Antonio, telephoned Tilden ASC office asking office manager to urge local farmers wire Congressman to support administration farm bill. Undersigned is vice chairman, local ASC committee.

DICK HORTON.

Mr. ANDERSON of Illinois. Mr. Chairman, ordinarily I would be somewhat hesitant to offer my remarks on a bill of major importance coming out of the committee on which I do not serve. However, as we have a Secretary of Agriculture who is formerly a big city lawyer, and, since the President himself is exclusively a city product, I perhaps need not feel reluctant to discuss the administration omnibus bill, even though I, too, am a city dweller. This bill will affect city dwellers and farm folks; it will have an impact on the total economy of our Nation; therefore, it should be a matter of concern to all of us.

I was interested to note, in looking over the wire-service dispatch this afternoon that reference is made therein to the "get-tough administration farm bill." The administration has previously seen fit to get tough with the steel industry; now it is getting tough with the American farmer, and who is there among us who can foretell what sector of our economy will next feel the heavy hand of Government? It is clear that the mailed fist is showing through the velvet glove; indeed, this is inevitably the development in a welfare state. It is precisely this welfare state that the President and the theoreticians who surround him and who constantly have his ear are unquestionably trying to build. Of course, they tell us that the problems are so complex that only the sophisticates from the left bank of the Charles can adequately comprehend the problems and suggest solutions. This noblesse oblige attitude can be more epigrammatically stated in these words: "The people do not know what's good for them."

To many it is absolutely astounding that such a philosophy should so thoroughly permeate our executive branch and apparently this philosophy has been found persuasive by a great many Members of Congress. In the Soviet Union or any of the satellite countries where agriculture has been thoroughly regimented and controlled, if not completely collectivized, we have long known that these actions were carried out only over the violent protests of the farmers. Under a totalitarian form of government it was not to be expected that the authoritarian ruling clique would heed their anguished cries. However, in a representative democracy we might well choose and ask ourselves this question: Who besides the Kennedy-Freeman-Cochrane triumvirate is demanding this legislation?

I have received in my office in recent months hundreds, if not thousands, of letters from the farmers of the 16th Congressional District of Illinois pleading with me, yes, imploring me, to take every conceivable action necessary to bring about the defeat of the administration's farm bill. These people are not writing at the request of any vested interest; they are not writing because they are under any compulsion to do so. They are exercising their constitutional right to petition their congressional Representative for a redress of their grievances in simple yet dramatic fashion. Their words which echo and reecho with sincerity are spoken out of the deep-seated conviction that the permanent program of regimentation and control which this administration seeks to impose upon them spells the virtual end of their independence.

The chairman of the House Agriculture Committee made some pious protestations in his opening remarks that he and the members on his side of the aisle would rise above "the bonds of partisanship." In the hours of debate that followed it became quite clear that this promise was in the same category as many of the Kennedy campaign promises. However, I cannot condemn too greatly those members who have openly made this a partisan issue. For this bill illustrates perhaps better than any other the fundamental difference in the philosophy of the Democratic and Republican Parties. The Republican Party embraces the principle of voluntarism wherever possible. The Democratic Party on the contrary has become increasingly wedded to the concept of coercion and control by big government. The facade of so-called freedom of choice which they have erected in front of this bill in the form of referendums is merely a hollow facade. When you look at the feed grain section of the bill and realize that producers in so-called deficit areas in 37 States and countless thousands of other producers of less than 40 acres will not vote in these referendums, then it is clear that to call this a free election is a tortured misconstruction of all that this word means to the average American.

One of the worst features of this bill is, of course, the absolutely discriminatory fashion in which it treats the feed grain producers of the great Middle West. Is it any wonder that many people are leaning to the conclusion that this "get-tough bill" is the administration's political payoff to the farmers of the Middle West who so overwhelmingly repudiated Mr. Kennedy and his supply management concept in the 1960 election. But even though the middle western farmers voted against Mr. Kennedy in 1960 they are surely deserving of better than this. They are deserving of the thanks of a grateful nation because it has been their industry and efficiency which has made the Middle West the breadbasket of our Nation, and supplied such a large share of our abundance of food and fiber.

Mr. Chairman, in concluding these remarks I speak for the hundreds, yes thousands, of farmers in my district who are pleading even now with this Congress not for special privileges, but for fair treatment. Let us, therefore, reject this bill and all of the evil consequences that will surely follow. Let us remain true in our actions here on the floor of this House to our convictions and remain responsible to the wishes of those whom we represent here.

Mr. ULLMAN. Mr. Chairman, I want to congratulate the distinguished chairman and the dedicated members of the Committee on Agriculture for their patience and perseverance which resulted in reporting out so significant a bill as H.R. 11222, the Food and Agriculture Act of 1962.

H.R. 11222 authorizes a positive and equitable program for dealing with the current ills of agriculture.

It authorizes programs for the diversion of agricultural lands to recreation and other nonagricultural uses.

It authorizes a bushel management program for wheat which will protect wheat producers' incomes, lower Government costs, and draw down current wheat surpluses.

It authorizes a mandatory feed grains program which continues the excellent features of the current voluntary program while reducing Government costs by about one-half.

It authorizes the acquisition of surplus agricultural commodities from private stocks for disaster relief and for economic development programs under title II of Public Law 480.

It authorizes an emergency surplus dairy reduction payments program.

Mr. Chairman, if H.R. 11222 is enacted into law a savings of $4 billion can be accomplished in the cost of farm programs as compared with the cost of continuing the 1962 emergency programs. Present excessive stocks of feed grains and wheat will be reduced at far less Government cost than under current voluntary programs, because all producers would be required under the mandatory features of the programs to participate in bringing production in line with needs.

Farm income will be increased modestly by the programs authorized under H.R. 11222 and food prices will not be increased.

This is without doubt the most carefully considered general farm bill reported to us by the Agriculture Committee in the last decade. It is no small accomplishment to draft a bill which will increase farm income without increasing food prices and at the same time provide for a reduction in Government farm program costs.

I want especially to congratulate the gentleman from North Carolina [Mr. COOLEY] and his committee for the

wheat program provisions in the bill. Wheatgrowers after many years of advocating the replacement of the old acreage allotment program by a more flexible two-price or bushel management program will at last be permitted to have such a program.

Wheat producers will receive acreage allotments which will assure a reduction in existing wheat stocks. They also will be given marketing certificates equal to their pro rata share of the total amount of wheat used for food and for export, with certificated wheat supported at about $2 a bushel for the 1963 crop, and a mandatory support level range of 75 to 90 percent of parity.

Wheat produced in excess of that covered by marketing certificates will be supported at a level in line with world prices for wheat and domestic prices for feed grains.

Oregon wheatgrowers are especially interested in the provisions which state that the Secretary shall permit growers to produce wheat on feed grain allotments and feed grains on wheat allotments to the extent that such action does not impair the effective operation of the program. I am happy to note that the Agriculture Committee has been assured by the Secretary that he will use these provisions to the maximum extent possible.

These provisions will give Oregon wheat producers a much greater flexibility in their operations than has been possible under the wheat programs of the 1950's.

H.R. 11222 provides for diversion payments for the first 3 years for acreages shifted from wheat and feed grain production to conserving uses. A number of cattle raisers in my State have written me expressing concern that the livestock industry would be adversely affected if pasturing were permitted on the diverted acreages.

They should be reassured by the provision in the bill which requires forfeiture of the diversion payment if the Secretary permits the diverted acreages to be grazed between April 1 and October 1 of any year. The version of the bill enacted by the Senate also wisely stipulates that the Secretary may permit grazing of the diverted acreage only during periods of severe drought, flood, or other natural disaster.

I am supporting an amendment which will control grazing on diverted acres and a second amendment which will allow the Secretary to increase allotments for any kind of wheat in short supply.

Mr. Chairman, the choice before us is either the proposed legislation or a continuation of the extravagance of the present program. H.R. 11222 envisages a new direction for wheat and feed grains, but along a path previously tried and proved successful in cotton, peanuts, rice, and tobacco.

City voters should greet this bill with satisfaction because it foresees the end of surplus storage costs and excessive commodity loan commitments. Farm producers should see here an orderly and forthright advance toward economic equity in the marketplace.

I urge my colleagues to support the amendments I have outlined and to vote for the bill on final passage.

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to H.R. 11222. Supporters of the bill claim it would help the farmer while in fact it would regiment him in much the same way that farmers in Fascist and Communist countries are regimented. The reasons for my opposition to the Government-managed approach to agriculture which the bill proposes can best be summed up in an article written by a former FBI agent, Dan Smoot, in his report of June 11, 1962, entitled "Communizing and Corrupting Agriculture." I include the article in the RECORD at this point:

COMMUNIZING AND CORRUPTING AGRICULTURE

Dr. Willard W. Cochrane, a Minnesota economist, was Kennedy's chief farm adviser during the 1960 campaign. Dr. Cochrane devised a new agricultural program which President Kennedy—in a special farm message, March 16, 1961—urged Congress to authorize.

The Kennedy-Cochrane farm program prescribed a supply management system in which committees of farmers, under the control of the Secretary of Agriculture (with Congress having only a negative veto vote if it disapproved) would regulate the production and income of American farmers. This scheme would create in the United States a system virtually identical with the corporate states which Mussolini and Hitler set up in Italy and Germany. The economic arrangements in the Fascist states of Italy and Germany before World War II were different from the economic arrangements in Communist countries only in the mechanical techniques of management.

When we have our entire economy departmentalized into communes, or soviets, or governmental corporations—each departmentalized industry run by a local committee or soviet under the overall control of the central political power in Washington—we will have the total Fascist-Communist state.

The Kennedy-Cochrane farm program of 1961 would have created this kind of Fascist-Communist system for agriculture, our largest industry. And, of course, if we permit government to communize agriculture, there is little reason to believe that we can then prevent the communizing of all other basic industries, one by one.

In 1961, Congress passed an emergency feed grains bill proposed by Kennedy; and it enacted the Agriculture Act of 1961 to extend all existing farm programs; but it did not act on the new farm program proposed by the President.

On January 30, 1962, President Kennedy tried again. He sent another special farm message to Congress, presenting the Cochrane scheme somewhat modified.

On January 31, 1962, U.S. Representative HAROLD D. COOLEY, Democrat, of North Carolina, chairman of the House Agriculture Committee, introduced H.R. 10010, to implement the President's program.

The Kennedy farm program of 1962 does not include the Communist-Fascist farmers' committees proposal of 1961; it does not include the proposal that Congress abandon its legislative function and grant the Secretary of Agriculture authority to do anything he likes, subject only to congressional veto; and it is not quite as broad in scope (does not include as many farm commodities) as the 1961 proposals.

The Kennedy farm program of 1962 retains the supply management plan of 1961, which will mean a Communist-Fascist type of farm regimentation for all farmers producing major commodities now in great surplus: wheat, corn, grain sorghum, and barley. The Secretary of Agriculture will be empowered to determine how many acres should be devoted to these crops. He will allot all farmers a base acreage, telling them how many acres they can plant in these crops, and how many acres they must leave idle or put to other use. The Secretary will guarantee the farmers a high price for the authorized crops produced. He will pay them for not planting the idle acres; or, he will give land use aid to them for authorized other uses of the land which is not planted in the controlled crops. Some of the other uses specified will involve soil and water conservation, development of recreational facilities, and promotion of wildlife preservation.

The 1962 farm program preserves the Soviet-style referendum system which has been imposed on wheat and corn farmers for years. The Department of Agriculture supervises a referendum election, in which affected farmers can vote for or against a high price support program for controlled commodities. If two-thirds of the farmers voting should reject high price supports, the Department can punish them by dumping on the market some of the vast stores of accumulated surpluses, thus depressing prices and making it impossible for farmers to sell what they produce.

The Department itself determines qualifications and conditions for voting, and rigs the elections so that farmers are never given a chance to vote for freedom. Hence, generally speaking, only the minority of farmers who are a part of, or are profiting from, the corrupt and tyrannical system, ever bother to vote. Most farmers—who would like the Federal Government to get out of the farming business and leave farmers free to farm their own land in their own way—always ignore the farcical elections. It follows that the farmers' referendum elections—rigged and controlled by the Department of Agriculture—always prove what the Department wants them to prove: namely, that American farmers are overwhelmingly in favor of the Department's programs.

Dr. Willard W. Cochrane, creator of President Kennedy's supply management agricultural program, and Orville Freeman, Secretary of Agriculture, candidly admit that the sceme means the granting—by sale or gift—of a Federal franchise to farmers to farm. And the franchise to grow crops will have more value than the land on which the crops are grown. The value of a man's farm will depend not on the quality of his land or on the labor and investment he has put into improvements, but on the kind of Federal franchise he holds. If he cannot get a franchise, his land is virtually useless. If he can get the right kind of franchise, his farm will produce great profits from the Federal Treasury.

Mr. Chairman, many times Republicans or conservatives are accused of not having positive alternatives to proposed socialistic solutions to problems confronting our Nation. I believe very definitely that there is a positive alternative to the agriculture problem. My good colleague the gentleman from Indiana, the Honorable ROSS ADAIR, has offered such an alternative in H.R. 4051, which was introduced February 9, 1961. This bill calls for the repeal of the Agricultural Adjustment Act of 1938. I believe the sooner this bill is considered and enacted the better off our farmers will be. I include the remarks of Dan Smoot in his report of June 11, 1962, concerning this bill in the RECORD at this point:

ADAIR BILL: THE "WHAT TO DO"

We do have a farm problem in America, and the Government has caused it. The way to solve the problem is to get the Govern-

ment out of the farming business and leave American farmers free.

There is now before Congress a proposed bill which would repeal the Agricultural Adjustment Act of 1938, and thus leave American farmers free to solve the farm problem. It is H.R. 4051, introduced February 9, 1961, by U.S. Congressman E. Ross ADAIR, Republican, of Indiana. The proposed Adair bill deserves energetic and relentless support from every American, farmer and urban dweller alike, who wants to restore American constitutional government.

Here is the full text of the Adair bill:

"H.R.——

"A bill to free farmers from Government control

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled* That, notwithstanding any other provision of law, the Agricultural Adjustment Act of 1938, as amended, shall be hereby repealed.

"SEC. 2. All stocks of commodities owned by the Commodity Credit Corporation shall be frozen for a period of 2 years, pending provision for orderly liquidation of the Corporation. This shall be intended to terminate all buying, as well as selling activities of the Corporation.

"SEC. 3. (a) All penalties collected under the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, shall be refunded to those persons penalized under the marketing quota provisions. The Secretary of the Treasury shall reimburse such persons, or their heirs, within a period of two years after the date of enactment of this bill.

"(b) The Secretary of Agriculture shall furnish a list of all penalties collected and persons from whom collected to the Secretary of the Treasury, for the purpose of such reimbursement.

"(c) After the two-year period for reimbursement of said penalties has elapsed, all persons having an unsatisfied claim to reimbursement of penalties incurred under marketing quota provisions of the Act, shall be authorized to institute a civil suit for collection of said claims against the United States Government in any district court of the United States of America."

"(d) All liens established as a result of penalty judgment under the marketing quota provisions of the Act, are hereby declared to be null and void."

The Adair bill—which has lain in the House Agriculture Committee virtually unnoticed since it was introduced on February 9, 1961—is the only proposal before Congress that really would solve our farm problem. It would restore the constitutional rights of American farmers; it would eliminate the possibility of any more Billie Sol Estes cases; and it would save American taxpayers at least $5 billion a year.

All Americans who care should urge their U.S. Representatives to vote against the administration farm bill (H.R. 11222) already reported by the Agriculture Committee but still pending in the House; and S. 3225, passed by the Senate on May 25, 1962, but still awaiting action in the House.

At the same time, all Members of the House should be urged to use whatever means available to get the Adair bill (to repeal the Agricultural Adjustment Act of 1938, as amended (H.R. 4051), introduced February 9, 1961) out of the Agriculture Committee and bring it on to the floor of the House for a vote.

Mr. HECHLER. Mr. Chairman, the American taxpayer has too long been burdened with the expense of storing huge and growing surpluses. At a time when production is increasing rapidly through the use of new techniques, machinery, fertilizer and imaginative methods, we must take firmer steps to develop a sensible farm program. I am not impressed by those who scream "dictatorship" whenever it is proposed to employ firmer controls to cut down surpluses, for only through such controls can an effective program be administered.

It is unfortunate that whenever a program is written on the floor, loopholes are opened up and the efforts of those genuinely interested in a more sensible program are watered down. I believe that President Kennedy and Secretary of Agriculture Freeman have devised the best framework yet presented to Congress for moving toward a solution to the sticky farm problem.

I have been impressed for a long time by the fact that the tobacco program is highly successful. In West Virginia, my congressional district grows more tobacco than all the other districts of the State put together. By and large, the tobacco program has a maximum of farmer support in West Virginia and a minimum of critical demand for change.

There must be qualities in this type of program worth copying in others—and the bill before us as it applies to feed grains and wheat is a prime example of such an effort.

First of all, the feed grains and wheat programs call for substantial farmer support before they can be put into operation—and that has been a continuing feature of the tobacco program.

Also, as in the tobacco program, the proposed feed grains and wheat programs create a direct tie between supply management and price support.

And the third comparison is that the new programs, too, seek to constantly reduce the money contributions of the Federal Government.

Now I realize that feed grains and wheat are utilized in cereal and flour form for food, and that tobacco is not—and that we need far greater production of grains than of tobacco.

Yet one fact is true of all farm comodities:

Production opportunity is meaningless unless accompanied by earning opportunity.

The best legal education in the world is useless to the man who cannot find an opportunity to practice law.

The best land, the best machinery, the best skills are useless to the farmer who does not have the opportunity to sell his products at prices that will reflect a standard of living fairly related to his investments of work, know-how, and money.

This bill recognizes the very real relationship between opportunity to produce and opportunity to sell at a fair price.

It seeks to reconcile the two opportunities through essentially democratic processes.

It seeks to achieve for all of our society the benefits of an abundance that stops short of waste—waste of the commodities themselves, waste of the farmer's investments and labor, waste of the Federal funds devoted to the agricultural sector.

This is sensible legislation, offering sound avenues for stability in farm income, in the supply and price structure, and in fiscal management.

Yet if the farmer does not want programs of this type, he can say so in the referendums provided, and his decision will be the final determination of the course we take.

Any farmer, any Member of Congress, can find a dozen reasons to be against this type of farmer-Government cooperation. But we never solve problems on the basis of what we are against—we achieve solutions only through positive thought and action.

The programs of the past have not brought the solutions to feed grains and wheat problems all of us—farmers and consumers and Congressmen and taxpayers want.

It is imperative that we take a new approach—and in it we are enriched by experience with such commodities as tobacco.

The new approach is filled with challenges—for farm families, for program administrators, and for the Congress which should and will keep a continuing watch over its operation.

I am optimistic about the results, because I am familiar with the never-ending supply of incentive and enterprise associated with individual ownership of the great majority of our farms.

These are some of the reasons why I shall support the administration in its efforts to enact a sensible farm program. Although I do not like the fact that there are those who have tried and in some cases succeeded in opening up loopholes in this bill, the general thrust of the bill is in the right direction, and I shall, therefore, support the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, pursuant to House Resolution No. 678, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. FINDLEY. Mr. Speaker, I demand a separate vote on committee amendment No. 10, which would establish the authority of the Secretary of Agriculture to designate certain areas as deficit feed areas, and thus exempt them from the mandatory acreage cutbacks.

Mr. Speaker, this amendment appears on page 39, beginning on line 22.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask for a separate vote on the amendment which was offered by the gentleman from Louisiana [Mr. McSWEEN], which struck out sections 104 through 107, and which appears beginning on page 6.

The SPEAKER. Is a separate vote demanded on any other amendment?

If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 175, noes 113.

Mr. FINDLEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 151, not voting 19, as follows:

[Roll No. 123]

YEAS—267

Abbitt	Burke, Ky.	Diggs
Abernethy	Burke, Mass.	Dingell
Addabbo	Burleson	Donohue
Albert	Byrne, Pa.	Dorn
Alexander	Carey	Dowdy
Andrews	Casey	Downing
Anfuso	Celler	Doyle
Ashmore	Chelf	Dulski
Aspinall	Clark	Edmondson
Bailey	Coad	Elliott
Baldwin	Cohelan	Everett
Baring	Colmer	Evins
Barrett	Conte	Fallon
Bass, N.H.	Cook	Farbstein
Bass, Tenn.	Cooley	Fascell
Bates	Corbett	Finnegan
Beckworth	Corman	Fisher
Bennett, Fla.	Cramer	Flynt
Bennett, Mich.	Curtis, Mass.	Fogarty
Blatnik	Daddario	Forrester
Boggs	Daniels	Fountain
Boland	Davis, James C.	Frazier
Bolling	Davis, John W.	Friedel
Bonner	Davis, Tenn.	Fulton
Boykin	Dawson	Gallagher
Brademas	Delaney	Garmatz
Brewster	Dent	Gary
Brooks, Tex.	Denton	Gathings
Buckley		Giaimo
Gilbert	McDowell	Roberts, Tex.
Gonzalez	McFall	Robison
Granahan	McIntire	Rodino
Grant	McMillan	Rogers, Colo.
Gray	McSween	Rogers, Fla.
Green, Oreg.	Macdonald	Rooney
Green, Pa.	Mack	Roosevelt
Griffiths	Magnuson	Rosenthal
Hagan, Ga.	Mailliard	Rostenkowski
Hagen, Calif.	Mathias	Rutherford
Hansen	Matthews	Ryan, Mich.
Harding	May	Ryan, N.Y.
Hardy	Merrow	St. Germain
Harris	Miller, Clem	Santangelo
Harrison, Va.	Miller, George P.	Saylor
Hays	Mills	Scott
Healey	Moeller	Scranton
Hébert	Monagan	Seely-Brown
Hechler	Moore	Selden
Hemphill	Moorhead, Pa.	Shelley
Henderson	Morgan	Sheppard
Herlong	Morrison	Shipley
Holifield	Morse	Sikes
Holland	Moss	Sisk
Huddleston	Moulder	Slack
Ichord, Mo.	Multer	Smith, Miss.
Inouye	Murphy	Smith, Va.
Jarman	Murray	Stafford
Jennings	Natcher	Staggers
Joelson	Nedzi	Stephens
Johnson, Calif.	Nix	Stratton
Johnson, Md.	Norblad	Sullivan
Johnson, Wis.	Norrell	Taylor
Jonas	O'Brien, Ill.	Teague, Tex.
Jones, Ala.	O'Brien, N.Y.	Thomas
Jones, Mo.	O'Hara, Ill.	Thompson, La.
Karsten	O'Hara, Mich.	Thompson, N.J.
Karth	O'Konski	Thompson, Tex.
Kastenmeier	O'Neill	Thornberry
Kearns	Passman	Toll
Kee	Patman	Trimble
Keith	Perkins	Tuck
Kelly	Peterson	Tupper
Keogh	Pfost	Udall, Morris K.
Kilgore	Philbin	Ullman
King, Calif.	Pike	Van Zandt
King, N.Y.	Pilcher	Vinson
King, Utah	Poage	Waggonner
Kirwan	Poff	Walter
Kitchin	Powell	Watts
Kluczynski	Price	Westland
Knox	Pucinski	Whitener
Kornegay	Purcell	Whitten
Kowalski	Rains	Wickersham
Kunkel	Reuss	Williams
Landrum	Rhodes, Ariz.	Willis
Lane	Rhodes, Pa.	Winstead
Lankford	Rivers, Alaska	Yates
Lennon	Rivers, S.C.	Zablocki
Lesinski	Roberts, Ala.	Zelenko
Libonati		

NAYS—151

Adair	Dague	Latta
Alger	Derounian	Lindsay
Andersen, Minn.	Derwinski	Lipscomb
Anderson, Ill.	Devine	McCulloch
Arends	Dole	McDonough
Ashbrook	Dominick	McVey
Ashley	Dooley	MacGregor
Auchincloss	Durno	Mahon
Avery	Dwyer	Marshall
Ayres	Ellsworth	Martin, Nebr.
Baker	Feighan	Mason
Barry	Fenton	Meader
Battin	Findley	Michel
Becker	Fino	Miller, N.Y.
Beermann	Ford	Milliken
Belcher	Gavin	Minshall
Bell	Goodell	Montoya
Berry	Goodling	Moorehead, Ohio
Betts	Griffin	Morris
Bolton	Gross	Mosher
Bow	Gubser	Nelsen
Bray	Haley	Nygaard
Breeding	Hall	Olsen
Bromwell	Halleck	Osmers
Broomfield	Halpern	Ostertag
Brown	Harrison, Wyo.	Pelly
Broyhill	Harsha	Pillion
Bruce	Harvey, Ind.	Pirnie
Byrnes, Wis.	Harvey, Mich.	Quie
Cahill	Hiestand	Randall
Cederberg	Hoeven	Ray
Chamberlain	Hoffman, Ill.	Reece
Chenoweth	Hosmer	Reifel
Chiperfield	Hull	Riehlman
Church	Jensen	Rogers, Tex.
Clancy	Johansen	Roudebush
Collier	Judd	Roush
Cunningham	Kilburn	Rousselot
Curtin	Kyl	St. George
Curtis, Mo.	Laird	Schadeberg
	Langen	Schenck
		Scherer
		Schneebeli
		Schweiker
		Schwengel
		Short
		Shriver
		Sibal
		Smith, Calif.
		Smith, Iowa
		Springer
		Steed
		Taber
		Teague, Calif.
		Thomson, Wis.
		Tollefson
		Utt
		Vanik
		Van Pelt
		Wallhauser
		Weaver
		Weis
		Whalley
		Wharton
		Widnall
		Wilson, Calif.
		Wilson, Ind.
		Wright
		Young
		Younger

NOT VOTING—19

Addonizio	Garland	Martin, Mass.
Alford	Glenn	Riley
Blitch	Hoffman, Mich.	Saund
Cannon	Horan	Siler
Flood	Loser	Spence
Frelinghuysen	Madden	Stubblefield

So the amendment was agreed to.

The clerk announced the following pairs:

On this vote:

Mr. Madden for, with Mr. Martin of Massachusetts against.

Mr. Flood for, with Mr. Siler against.

Mr. Horan for, with Mr. Hoffman of Michigan against.

Mrs. Blitch for, with Mr. Frelinghuysen against.

Mrs. Riley for, with Mr. Glenn against.

Until further notice:

Mr. Loser with Mr. Garland.

Mr. OLSEN and Mr. LINDSAY changed their vote from "yea" to "nay."

Messrs. KNOX, BASS of New Hampshire, MOORE, and CURTIS of Massachusetts changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Beginning on page 6, line 23, strike out all of sections 104, 105, 106, and 107.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 158, noes 101.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FINDLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FINDLEY. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FINDLEY moves to recommit the bill H.R. 11222 to the Committee on Agriculture.

The SPEAKER. The question is on the motion to recommit.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 215, nays 205, not voting 17, as follows:

[Roll No. 124]

YEAS—215

Abbitt	Feighan	Mosher
Abernethy	Fenton	Murray
Adair	Findley	Nelsen
Addabbo	Fino	Norblad
Alger	Fisher	Nygaard
Andersen, Minn.	Fogarty	O'Brien, N.Y.
	Ford	O'Konski
Anderson, Ill.	Fulton	Osmers
Arends	Garland	Ostertag
Ashbrook	Gavin	Passman
Auchincloss	Goodell	Pelly
Avery	Goodling	Philbin
Ayres	Griffin	Pike
Baker	Gross	Pillion
Baldwin	Gubser	Pirnie
Baring	Hagen, Calif.	Poff
Barry	Haley	Quie
Bass, N.H.	Hall	Ray
Bates	Halleck	Reece
Battin	Halpern	Reifel
Becker	Harrison, Va.	Rhodes, Ariz.
Beckworth	Harrison, Wyo.	Riehlman
Beermann	Harsha	Robison
Belcher	Harvey, Ind.	Rogers, Fla.
Bell	Harvey, Mich.	Roudebush
Bennett, Mich.	Hébert	Roush
Berry	Herlong	Rousselot
Betts	Hiestand	Rutherford
Bolton	Hoeven	St. George
Bow	Hoffman, Ill.	Saylor
Bray	Hosmer	Schadeberg
Brewster	Jarman	Schenck
Bromwell	Jensen	Scherer
Broomfield	Johansen	Schneebeli
Brown	Johnson, Md.	Schweiker
Broyhill	Jonas	Schwengel
Bruce	Judd	Scranton
Burleson	Kearns	Seely-Brown
Byrnes, Wis.	Keith	Short
Cahill	Kilburn	Shriver
Casey	Kilgore	Sibal
Cederberg	King, N.Y.	Smith, Calif.
Chamberlain	Knox	Smith, Iowa
Chenoweth	Kunkel	Smith, Va.
Chiperfield	Kyl	Springer
Church	Laird	Stafford
Clancy	Langen	Staggers
Clark	Latta	Steed
Collier	Lindsay	Taber
Colmer	Lipscomb	Teague, Calif.
Conte	McCulloch	Thomson, Wis.
Corbett	McDonough	Tollefson
Cramer	McIntire	Tuck
Cunningham	McVey	Tupper
Curtin	MacGregor	Utt
Curtis, Mass.	Mahon	Van Pelt
Curtis, Mo.	Mailliard	Van Zandt
Dague	Martin, Nebr.	Waggonner
Davis, Tenn.	Mason	Wallhauser
Dent	Mathias	Weis
Derounian	May	Westland
Derwinski	Meader	Whalley
Devine	Merrow	Wharton
Dole	Michel	Whitten
Dominick	Miller, N.Y.	Widnall
Dooley	Milliken	Williams
Dorn	Minshall	Wilson, Calif.
Dowdy	Montoya	Wilson, Ind.
Downing	Moore	Winstead
Durno	Moorehead, Ohio	Young
Dwyer		Younger
Ellsworth	Morris	
Everett	Morse	

NAYS—205

Albert	Coad	Frazier
Alexander	Cohelan	Friedel
Andrews	Cook	Gallagher
Anfuso	Cooley	Garmatz
Ashley	Corman	Gary
Ashmore	Daddario	Gathings
Aspinall	Daniels	Giaimo
Bailey	Davis, James C.	Gilbert
Barrett		Gonzalez
Bass, Tenn.	Davis, John W.	Granahan
Bennett, Fla.	Dawson	Grant
Blatnik	Delaney	Gray
Boggs	Denton	Green, Oreg.
Boland	Diggs	Green, Pa.
Bolling	Dingell	Griffiths
Bonner	Donohue	Hagan, Ga.
Boykin	Doyle	Hansen
Brademas	Dulski	Harding
Breeding	Edmondson	Hardy
Brooks	Elliott	Harris
Buckley	Evins	Hays
Burke, Ky.	Fallon	Healey
Burke, Mass.	Farbstein	Hechler
Byrne, Pa.	Fascell	Hemphill
Cannon	Finnegan	Henderson
Carey	Flynt	Holifield
Celler	Forrester	Holland
Chelf	Fountain	Huddleston
Hull	Moeller	Rosenthal
Ichord, Mo.	Monagan	Rostenkowski
Inouye	Moorhead, Pa.	Ryan, Mich.
Jennings	Morgan	Ryan, N.Y.
Joelson	Morrison	St. Germain
Johnson, Calif.	Moss	Santangelo
Johnson, Wis.	Moulder	Scott
Jones, Ala.	Multer	Selden
Jones, Mo.	Murphy	Shelley
Karsten	Natcher	Sheppard
Karth	Nedzi	Shipley
Kastenmeier	Nix	Sikes
Kee	Norrell	Sisk
Kelly	O'Brien, Ill.	Slack
Keogh	O'Hara, Ill.	Smith, Miss.
King, Calif.	O'Hara, Mich.	Stephens
King, Utah	Olsen	Stratton
Kirwan	O'Neill	Sullivan
Kitchin	Patman	Taylor
Kluczynski	Perkins	Teague, Tex.
Kornegay	Peterson	Thomas
Kowalski	Pfost	Thompson, La.
Landrum	Pilcher	Thompson, N.J.
Lane	Poage	Thompson, Tex.
Lankford	Powell	Thornberry
Lennon	Price	Toll
Lesinski	Pucinski	Trimble
Libonati	Purcell	Udall, Morris K.
McDowell	Rains	Ullman
McFall	Randall	Vanik
McMillan	Reuss	Vinson
McSween	Rhodes, Pa.	Walter
Macdonald	Rivers, Alaska	Watts
Mack	Rivers, S.C.	Weaver
Magnuson	Roberts, Ala.	Whitener
Marshall	Roberts, Tex.	Wickersham
Matthews	Rodino	Willis
Miller, Clem	Rogers, Colo.	Wright
Miller, George P.	Rogers, Tex.	Yates
	Rooney	Zablocki
Mills	Roosevelt	Zelenko

NOT VOTING—17

Addonizio	Hoffman, Mich.	Saund
Alford	Horan	Siler
Blitch	Loser	Spence
Flood	Madden	Stubblefield
Frelinghuysen	Martin, Mass.	
Glenn	Riley	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts for, with Mr. Madden against.

Mr. Frelinghuysen for, with Mr. Flood against.

Mr. Horan for, with Mr. Saund against.

Mr. Glenn for, with Mrs. Riley against.

Mr. Siler for, with Mr. Stubblefield against.

Mr. Hoffman of Michigan for, with Mrs. Blitch against.

Mr. Loser for, with Mr. Spence against.

Mr. WRIGHT and Mr. GIAIMO changed their vote from "yea" to "nay."

Mr. JOHNSON of Maryland changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. COOLEY. Mr. Speaker, I ask for a recapitulation of the vote.

The SPEAKER. Does the gentleman insist on his request for a recapitulation?

Mr. COOLEY. Yes, Mr. Speaker, I insist upon it.

The SPEAKER. The Chair feels that the vote is not sufficiently close to order a recapitulation.

Mr. COOLEY. All right, Mr. Speaker, I withdraw the request.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1963

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday night to file a report on the District of Columbia appropriation bill for 1963.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MICHEL reserved all points of order on the bill.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight as well as midnight tomorrow night to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ANTITRUST CIVIL PROCESS ACT

Mr. CELLER submitted the following conference report and statement on the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1884)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 15, 16, 17, and 24.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "or the Federal Trade Commission"; and the House agree to the same.

Amendment numbered 7: That the Senate recede from its disagreement to the amendment of the House numbered 7, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "any final order of the Federal Trade Commission, or"; and the House agree to the same.

Amendment numbered 14: That the House recede from its amendment numbered 14.

Amendment numbered 18: That the Senate recede from its disagreement to the amendment of the House numbered 18 and agree to the same with an amendment as follows: In lieu of the matter stricken by the amendment insert "or the Federal Trade

87TH CONGRESS
2D SESSION

H. R. 11222

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MAY 16, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

JUNE 21, 1962

Recommitted to the Committee on Agriculture

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil,

water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. Section 31 and subsection (e) of section 32

of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, are amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, providing public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

"SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed two-thirds of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for

works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet

of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 105. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the

reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 106. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works

of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct

or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the

Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 107. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural com-

modities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows: "In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further

amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be made available for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States.

TITLE III–MARKETING ORDERS

SEC. 301. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

Section 8c(2) is amended by—

(1) striking out in (A) thereof "(not including vegetables other than asparagus for canning or freezing)" and inserting in lieu thereof "(not including vegetables other than asparagus for canning or freezing, or potatoes for dehydrating)"; and

(2) inserting in (B) thereof after "fruits and vege-

tables for canning or freezing" the following ", potatoes for dehydrating".

TITLE IV—COMMODITY PROGRAMS

Subtitle A—Feed Grains

Sec. 401. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"PART VII—MARKETING QUOTAS—FEED GRAINS

"LEGISLATIVE FINDINGS

"Sec. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and

livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"The principal grains used for livestock feed are corn, barley, grain sorghums, and oats. Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require

that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

"The diversion of substantial acreages from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and

transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"NATIONAL MARKETING QUOTA

"SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall

determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains not to exceed 7 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of feed grains in the Nation are insuffi-

cient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"NATIONAL ACREAGE ALLOTMENT

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim

a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production on increased acreages resulting from the small-farm exemption pursuant to section 360f, make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b) (2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b) (1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c) (2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of

feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of new areas coming into the production of feed grains.

"(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b) (1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, estab-

lished crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farm during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base

period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such upward adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under the conservation reserve and other Federal farm programs, established crop-rotation practices on the farm, hardships, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

"(4) the acreage of wheat produced on the farm pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm."

GEOGRAPHICAL APPLICABILITY

This part VII shall be applicable to the continental United States excluding Alaska.

"SMALL FARM EXEMPTION

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of twenty-five acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. If the owner or operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage if the acreage of such crop of feed grains exceeded the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"REFERENDUM

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the

Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm feed grain base of twenty-five acres or less and who does not elect, pursuant to section 360f, to be subject to the farm acreage allotment. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"COMPLIANCE

"SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the

acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided,* That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further,* That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain

on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield of such feed grain determined by the Secretary for the farm during the base period (as defined in subsection (d) (1) of section 360d) adjusted to the extent the Secretary determines necessary for abnormal factors affecting production.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 337 shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"SUBSTITUTION OF WHEAT FOR FEED GRAINS

"SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"LAND USE

"SEC. 360j. (a) (1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d (c) (2) (C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary pursuant to subsection (e) hereof or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1, of the calendar year in which the crop is har-

vested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to

be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section. Payments shall be in an amount not to exceed the estimated normal production of feed grains for the acreage diverted, multiplied by 50 per centum of the estimated basic county support rates for feed grains in the case of the 1963 crop, 40 per centum of the estimated basic county support rate for feed grains in the case of the 1964 crop, and 30 per centum of the estimated basic county support rate for feed grains in the case of the 1965 crop. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided,* That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to con-

servation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in the Conservation Reserve and other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. The producer on any farm for which a farm acreage allotment is established pursuant

to section 360d(c) (2) (C) shall not be eligible for payments hereunder. Payments may be made in cash or in feed grains. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of feed grains had feed grains been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, malting barley, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(f) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such

regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, any payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 402. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediately following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate

and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers."

SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, oats, grain sorghums, and barley. The term 'feed grains' shall also include rye if the Secretary designates such commodity.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains).

"(12) The term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b) (6) (A) is amended to read as follows:

"(6) (A) 'Market', in the case of cotton, rice, to-

bacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of."

(3) Subsection (b) (7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1–June 30;

"Corn, October 1–September 30;

"Cotton, August 1–July 31;

"Oats, July 1–June 30;

"Grain sorghums, July 1–June 30;

"Peanuts, August 1–July 31;

"Rice, August 1–July 31;

"Rye, July 1–June 30;

"Tobacco (flue-cured), July 1–June 30;

"Tobacco (other than flue-cured), October 1–September 30;

"Wheat, July 1–June 30;

" 'Marketing year' means, in the case of 'feed grains',

the marketing years for the agricultural commodities comprising the feed grains."

SEC. 404. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat,", and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

SEC. 405. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

SEC. 406. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938,

as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

SEC. 407. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j,".

SEC. 408. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 401 through 407 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

SEC. 409. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for each crop of corn shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate

after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products;

"(2) price support for each crop of barley, grain sorghums, oats, and rye, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn, location, and buyer preference;

"(3) if marketing quotas are in effect for the crop of any feed grain, price support for such crop shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of a feed grain for which a marketing quota is not in effect because of disapproval by producers; and

"(5) a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who (i)

does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401 (b) by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from

its stocks at market prices during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains.

SUBTITLE B—WHEAT

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small

changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable

to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 411. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount

of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat, not to exceed 16 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing

quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 412. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year

begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production of wheat on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 413. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By striking out "ten" wherever it appears in subsections (a) and (b) thereof and by inserting in lieu thereof "five".

(2) By amending subsection (e) thereof by inserting the following sentence immediately following the eighth sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support."

(3) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(4) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(5) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

GEOGRAPHICAL APPLICABILITY

SEC. 414. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end of section 334 thereof the following new subsection: "(i) This part III shall be applicable to the continental United States excluding Alaska."

SEC. 415. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall

be applicable to any farm with a base of fifteen acres or less (hereinafter called 'small-farm base acreage') if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1957, 1958, 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator elects to be subject to the farm acreage allotment and marketing quota the acreage allotment for the farm shall be the larger of (i) the allotment otherwise determined for the farm, or (ii) the small-farm base acreage for the farm established on the basis of the crops for the calendar years 1957, 1958, 1959, 1960, and 1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the pur-

poses of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of the acreage allotment or the small-farm base acreage determined for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 416. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a

small-farm base acreage for such crop of wheat and who does not elect, pursuant to section 335, to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 417. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by deleting the provisions thereof and substituting the following:

"SUBSTITUTION OF FEED GRAINS FOR WHEAT

"SEC. 337. Notwithstanding any other provision of law, the Secretary shall permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to

the production of feed grains, as the Secretary determines will not adversely affect the operation of this program."

SEC. 418. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary under the provisions of subsection (f) of this section, or (ii) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres

in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such require-

ment is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments shall be made in amounts determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Payments shall be in an amount not to exceed the estimated normal production of wheat for the acreage diverted, multiplied by 50 per centum of the estimated basic county support rates for wheat in the case of the 1963 crop, 40 per centum of the estimated basic county support rate for wheat in the case of the 1964 crop, and 30 per centum of the estimated basic county support rate for wheat in the case of the 1965 crop. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided,* That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total

acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under the land-use provisions for feed grains pursuant to section 360j, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors adversely affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share. The producers on a new farm shall

not be eligible for payments hereunder. Payments may be made in cash or in wheat. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of wheat had wheat been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of unintentional failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(f) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 419. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm

marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of the Agricultural Adjustment Act of 1938, as amended, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by

the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By amending paragraph (3) to read as follows:

"(3) The farm marketing excess for wheat shall be

considered as available for marketing, and the penalty shall be computed upon twice the normal production of the excess acreage. Whereupon the application of the producer for an adjustment of penalty, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than twice the normal production thereof, the difference between the amount of the penalty as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer."

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By amending the first sentence of paragraph (8) redesignated by this section as paragraph (7) to read as follows: "Until the penalty is paid on the marketing excess of wheat each bushel of wheat produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution."; and by adding at the end of such paragraph the following sentence:

"If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective

as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 420. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 421. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 422. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 410 through 421 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963 or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 423. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of

wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation, which shall be the amount of wheat used during the marketing year for human consumption in the United States and exports on which marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota of wheat during the calendar year in which such marketing year begins. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the estimated yield of

wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage.

"MARKETING CERTIFICATES

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the estimated yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat

marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"MARKETING RESTRICTIONS

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such

certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only

sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary, and subject to such regulations as he may prescribe, to secure the purchase of and payment for such marketing certificates as may be required, any person required to have marketing certificates in order to market or export a commodity may market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases and in the purchase and sale of marketing certificates to make such discounts and charge

such premiums not exceeding 5 per centum of the face value of the certificate as the Secretary shall determine necessary to encourage the purchase and sale of such certificates through commercial channels.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to warehousemen, processors, and exporters of wheat and food products containing wheat, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in

such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer who is subject to subsection (c) of this section, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the

amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 424. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by mar-

keting certificates shall be at such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401 (b) ;

"(2) price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains;

"(3) if marketing quotas are in effect for the crop of wheat, price support shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of wheat for which marketing quotas are not in effect because of disapproval of quotas by producers;

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101; and

"(6) a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation pre-

scribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "*Provided,* That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a certificate and wheat sold shall be accompanied by a certificate."

(3) By adding at the end of section 407 the following new sentence: "Notwithstanding any other provision hereof, if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during the marketing year not to exceed two hundred million bushels of wheat."

Subtitle C—Dairy

Sec. 430. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies

of milk and other dairy products during the marketing year ending March 31, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 431. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect

adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's

reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 432. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among

quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 433. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 434. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A

producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 435. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 436. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume

of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 437. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and

restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

TITLE V—GENERAL PROVISIONS

SEC. 501. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities", and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 502. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

87TH CONGRESS
2D SESSION

H. R. 11222

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

APRIL 11, 1962

Referred to the Committee on Agriculture

MAY 16, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

JUNE 21, 1962

Recommitted to the Committee on Agriculture

87TH CONGRESS
2D SESSION

S. 3225

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1962

Referred to the Committee on Agriculture

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands

covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out

the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided,* That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investiga-

tions relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition

by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: *Provided,* That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—FEED GRAINS

SEC. 301. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"PART VII—MARKETING QUOTAS—FEED GRAINS

"LEGISLATIVE FINDINGS

"SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is exces-

sive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance,

farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in his Act.

"The diversion of substantial acreage from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a suffi-

cient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"NATIONAL MARKETING QUOTA

"SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years,

if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of

feed grains determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for feed grains for any marketing year shall be not less than one hundred and ten million tons.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota

is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"NATIONAL ACREAGE ALLOTMENT

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production (1) on increased acreage resulting from exemptions pursuant to sections 360f and 360k, and (2) of silage on acreage excluded from the acreage of feed grains pursuant to section 301 (a) (11), make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b) (2) of this section, shall be apportioned by the Secre-

tary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b) (1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c) (2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of reclamation and other new areas coming into the production of feed grains.

"(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The

farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b) (1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm

operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under Federal farm programs, acreage diverted from the production of feed grains under this part, established crop-rotation practices on the farm, and such other factors as the Secretary determines should

be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm, except that in the case of a farm which is exempt from the farm marketing quota under the small-farm exemption in section 360f, or under the exemption in section 360k, the acreage on the farm in excess of the farm acreage allotment but not in excess of the farm base acreage, shall not be excluded.

"(4) the acreage of wheat produced on the farm in excess of the farm acreage allotment pursuant to the exemption provided in section 335 (f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm, and shall not be considered as an acreage of wheat in determining the small-farm base acreage for wheat pursuant to section 335.

"GEOGRAPHICAL APPLICABILITY

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"SMALL FARM EXEMPTION

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm acreage allotment of less than twenty-five acres if the acreage of such crop of feed grains does not exceed the smaller of (A) the farm base acreage determined for the farm, or (B) twenty-five acres unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. If the operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the smaller of (A) the farm base acreage, or (B) twenty-five acres, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"REFERENDUM

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing

year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm acreage allotment of less than twenty-five acres shall not be eligible to vote unless the farm operator elected, pursuant to section 360f, to be subject to the farm acreage allotment and marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"COMPLIANCE

"SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed

grains on the farm in excess of the farm acreage allotment for such crop: *Provided,* That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further,* That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield per acre of such feed grain on the

farm during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the normal yields for similar or adjacent farms, and the yield in years for which data are available.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 360i shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess, and (iv) any acreage

of barley disposed of by grazing not later than thirty days prior to the date the harvest of barley normally begins in the county or the area within the county as determined by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty com-

puted upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"SUBSTITUTION OF WHEAT AND FEED GRAINS

"SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, and producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat, to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"LAND USE

"SEC. 360j. (a) (1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (ii) no feed grains are produced on the farm, and the producers

have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1 of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h (a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the

diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage di-

verted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable to producers with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided,* That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii)

participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) for other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further,* That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in feed grains.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at the rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions,

including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems is desirable in order to provide fair and equitable treatment.

"DEFICIT AREAS

"SEC. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which

the Secretary determines (1) that the application of the provisions of this Act would result in an average loss of 25 per centum gross income to producers in such area, would increase by 25 per centum the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, based on 1959–1960 operations, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

"AUTHORITY TO EXEMPT MALTING BARLEY

"SEC. 360l. Notwithstanding any other provision of this part, if with respect to any crop of barley the Secretary

finds that there is not likely to be production of a sufficient quantity of malting barley to satisfy the demand therefor, subject to such terms and conditions as the Secretary shall prescribe, the farm marketing quota or farm acreage allotment for any crop of feed grains shall not be applicable to malting barley on any farm, if (i) the operator elects in writing on a form and within the time prescribed by the Secretary to have malting barley exempt therefrom, (ii) such operator has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest during the crop year, and does not knowingly devote during such crop year an acreage on the farm to barley in excess of 110 per centum of the acreage devoted on the farm to barley in 1959 and 1960, or such later two-year period determined by the Secretary to be representative, and (iii) the farm base acreage and the farm acreage allotment for such crop of feed grains are adjusted downward by such amount as the Secretary determines appropriate to reflect the exclusion of such barley from the farm acreage allotment."

SEC. 302. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by

adding immediately following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers."

SEC. 303. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, grain sorghums, and barley.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains), but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360d(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions ap-

plicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection.

"(12) The term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b) (6) (A) is amended to read as follows:

"(6) (A) 'Market', in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of."

(3) Subsection (b) (7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1–June 30;

"Corn, October 1–September 30;

"Cotton, August 1–July 31;

"Grain sorghums, July 1–June 30;

"Peanuts, August 1–July 31;

"Rice, August 1–July 31;

"Tobacco (flue-cured), July 1–June 30;

"Tobacco (other than flue-cured, October 1–September 30;

"Wheat, July 1–June 30.

" 'Marketing year' means, in the case of 'feed grains', the marketing years for the agricultural commodities comprising the feed grains."

SEC. 304. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat,", and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

SEC. 305. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

SEC. 306. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

SEC. 307. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j,".

SEC. 308. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 301 through 307 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

SEC. 309. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) if marketing quotas for any crop of corn, grain sorghums, and barley are not disapproved by producers, price support for corn of such crop shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products.

"(2) if marketing quotas for any crop of corn, grain sorghums, and barley are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate

after consideration of the factors specified in section 401 (b).

"(3) price support for each crop of barley and grain sorghums, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn and the other factors specified in section 401 (b) of this Act.

"(4) price support for corn, grain sorghums, and barley shall be made available only to cooperators.

"(5) if marketing quotas are in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any such feed grain produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any crop of corn,

grain sorghums, and barley produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such farm marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k of the Agricultural Adjustment Act of 1938, as amended."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401 by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7),

and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

SUBTITLE B—WHEAT

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess

acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of

the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota

program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B)

if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase

found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm

exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) by adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary

finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be

applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall

be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957–1961, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended,

the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not

be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall

be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on

any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the pur-

poses of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided,* That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16 (g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary,

adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further,* That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the

sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price sup-

port shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with

such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat

shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess

of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case

may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74,

Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assist-

ance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for

such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the

amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is

exempt from the farm marketing quota for such crop under section 335, 360f or 360k.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"MARKETING RESTRICTIONS

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the pro-

ducer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase

and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in

such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with re-

spect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401 (b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401 (b),

"(5) the level of price support for any crop of

wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

"(6) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess.

"No producer shall be deemed to have exceeded the

farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "*Provided,* That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities.";

(2) By inserting in section 306 (a) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities,"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309 (f) (1) the

figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000";

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

SEC. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for

making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration', in the Depart-

ment of Agriculture appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

SEC. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": *Provided,* That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

SEC. 406. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum

extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 407. It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer-owned, farmer-managed associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

DECLARATIONS AND FINDINGS

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to

produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well

as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and by-products. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and by-products will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

AGRICULTURAL RESEARCH AND INDUSTRIAL USE ADMINISTRATION

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

SALARIES

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS–18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505 (b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for

not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided,* That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

POWERS AND DUTIES

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-

grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new in-

dustrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inven-

tions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

TRANSFER OF GOVERNMENT PLANTS

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned

facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: *Provided*, That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

DEFINITION OF "AGRICULTURAL PRODUCTS"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

ANNUAL REPORT

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

SAVINGS PROVISION

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Passed the Senate May 25, 1962.

Attest: FELTON M. JOHNSTON,

Secretary.

87TH CONGRESS
2D SESSION

S. 3225

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

JUNE 22, 1962

Referred to the Committee on Agriculture

87TH CONGRESS
2D SESSION

H. R. 12266

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil,

water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided,* That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards

to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. Section 31 and subsection (e) of section 32 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, are amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare, but not to build industrial

parks or establish private industrial or commercial enterprises.

"SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accompanying most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs)

applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed

fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory

to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 201 is amended by striking out the words "out of its stocks".

(2) Section 202 is amended by striking out "from Commodity Credit Corporation stocks" and substituting "(as defined in section 106 of title I) made available by Commodity Credit Corporation".

SEC. 202. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately

equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows: "In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 203. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the

words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 206. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

SEC. 301. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and

grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producers shall participate in the special agricultural conservation program for 1963 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided,* That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960; *Provided further,* That no producer of

barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley,

respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to deignated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105 (c) (6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in

the special agricultural conservation program of 1963 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105 (c) (6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per

centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 50 per centum of the normal production of the acreage diverted from the

commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines

necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the

normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Con-

gress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the com-

mercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conserva-

tion uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to

give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary

to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring to total acreage diverted to ten acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for

any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a) : *Provided,* That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction

thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section

may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c)(2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

Sec. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

Sec. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal

marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided,* That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms

and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have

commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in

commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which

such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of

the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306 (a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities", and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309 (f) (1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared uncon-

stitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

87TH CONGRESS
2D SESSION

H. R. 12266

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

JUNE 22, 1962

Referred to the Committee on Agriculture

Mr. SISK. If the gentleman will yield further, it is anticipated that a rule will be granted, I understand, possibly on Monday or Tuesday.

Mr. DERWINSKI. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. SISK. Mr. Speaker, I ask unanimous consent to dispense with Calendar Wednesday business of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT OVER

Mr. SISK. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn over until noon, Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FARM LEGISLATION

(Mr. COOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I am today introducing a new farm bill. I am calling a meeting of the Committee on Agriculture for 10 o'clock Monday morning.

The number of the new bill is H.R. 12266. It supersedes H.R. 11222, the legislation defeated in the House yesterday.

Mr. Speaker, we have made further concessions, in this new draft of the proposed Food and Agriculture Act of 1962. It is our hope, notwithstanding the events of yesterday, that we might yet improve the plight of the American farmer, bring down farm surpluses, and provide some relief for the American taxpayer.

We shall expedite consideration of the bill as much as possible.

It proposes to continue for 1 year the voluntary production reduction programs for wheat, corn, and other feed grains which are in operation this year, with a modification of the voluntary program with respect to feed grains. These are the programs which the gentleman from Iowa [Mr. HOEVEN] thinks so much of, and which seem to be so popular. These programs were proposed by the administration last year and enacted by the Congress to be operative while the Congress worked on a more effective and less expensive program for these crops.

The present temporary and voluntary program for feed grains provides that farmers receive grain land retirement payments at 50 percent of the approximate value of grains that would have been produced on the first 20 percent of the acres they retire, and gives farmers the privilege of retiring an additional 20 percent of their grain acres for which they receive payments at 60 percent of the value of grains that would have been produced on the land. The new bill would provide 50 percent payments for the first 20 percent of acres retired, and 50 percent payment also for an additional 30 percent of land taken out of grain production.

The temporary wheat program operating in 1962 would be continued in 1963.

We are retaining in H.R. 12266 provisions of H.R. 11222 which are not controversial. We hope we can expedite the new bill through the committee and have it considered by the House some time next week, if possible.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GROSS. Did this bill evolve by way of a trip through the briar patch or the rose garden?

Mr. COOLEY. It was the briar patch, as it looked last night. We got scratched up quite a bit.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AVERY. Mr. Speaker, I want to express my appreciation of the expeditious action which the chairman has taken and of his brief, and I realize very informal, explanation of the bill, in which he made reference to a voluntary wheat program. Under the present program for 1962, it is not voluntary, it is an involuntary program. I assumed that program would be extended.

Mr. COOLEY. It is an extension of the present program.

Mr. AVERY. In other words, then, would the gentleman say that the bill is virtually the same bill as that which had been approved by the Committee on Agriculture of the other body?

Mr. COOLEY. I cannot say. However, I think it is perfectly plain that we are taking out the controversial aspects of the legislation.

Mr. AVERY. I thank the gentleman.

THE NEW FARM BILL

(Mr. HOEVEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, it is interesting to note that the gentleman from North Carolina [Mr. COOLEY] in his new farm bill embraces some of the proposals contained in my substitute to title 4 of H.R. 11222 which was recommitted yesterday. May I ask the gentleman whether his new bill makes any provision for the extension of conservation reserve agreements that are expiring from year to year?

Mr. COOLEY. I do not think so.

Mr. HOEVEN. It was in my substitute.

Mr. COOLEY. Oh, no; it is not in here.

Mr. HOEVEN. Is there any provision relating to dairying?

Mr. COOLEY. Yes.

Mr. HOEVEN. What is it?

Mr. COOLEY. Just as it was in the other bill.

Mr. HOEVEN. In the bill that was defeated?

Mr. COOLEY. Yes.

Mr. HOEVEN. May I ask the gentleman whether there is any provision in his bill for tightening up on the dumping provision in the present feed grains act?

Mr. COOLEY. I do not know what the gentleman means by tightening up.

Mr. HOEVEN. Giving authority to the Secretary to dump wheat on the open market at his discretion.

Mr. COOLEY. I do not agree that the programs now operating authorize dumping.

Mr. HOEVEN. My substitute would prevent the dumping of CCC stocks of grain onto the open market at less than 5 percent above the current support price, plus reasonable carrying charges.

Mr. COOLEY. I am prompted by my vice chairman who says that the provision of the new bill in this respect is the same as under existing law.

THE NEW FARM BILL

(Mr. CRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAMER. Mr. Speaker, it may be interesting to note—and I would like to ask the gentleman from North Carolina, the chairman of the committee, that it appears quite obvious there are many provisions of the bill with which he is not thoroughly familiar. Can he advise the House who is the author of the bill which he has introduced? I think many Members would like to know.

Mr. COOLEY. Here it is, right here, with my name right on it.

Mr. CRAMER. I appreciate that, but whose work are you presenting?

Mr. COOLEY. We had to work very diligently to get it up and bring it in.

Mr. CRAMER. I realize that. Is this Mr. Freeman's bill? Did Mr. Freeman bring it in over night?

Mr. COOLEY. No; Mr. Freeman did not write it.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Illinois.

Mr. PRICE. I wonder if the gentleman from Florida and the gentleman from North Carolina could tell the House whether or not these compromises in this new bill have been cleared by Mr. Sorkin.

Mr. CRAMER. I think the question was whether Mr. Freeman was the author of it. I was not being funny about it. I am serious.

FARM LEGISLATION

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute.)

Mr. DERWINSKI. Mr. Speaker, I think it would be in order in view of the conversation of the last few minutes to inquire if the Committee on Agriculture will have at least limited hearings on this bill. What is the intention of the chairman?

Mr. COOLEY. I am calling a meeting Monday morning, and we will try to report it out Monday afternoon.

WAURIKA DAM PROJECT, OKLAHOMA

The SPEAKER pro tempore. Under previous order of the House the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

Mr. WICKERSHAM. Mr. Speaker, today, I have before me a letter from the acting Civil Defense Director from the State of Oklahoma. The letter reads:

DEAR CONGRESSMAN WICKERSHAM: We are taking this opportunity to advise you of an inspection of the Waurika area which has been completed by Mr. Fred Verity, an engineer employed by this office.

The most serious situation, in the Waurika area, according to Mr. Verity's report was the health and sanitation situation whereby there was excessive water standing in ditches, etc. The State health department has been advised of this situation and have assured us they will do all possible to eliminate any health hazard.

As always we appreciate you continuing interest in regards to your constituents.

Sincerely,

JERRY RAGSDALE,
Acting Director.

Mr. Speaker, I say to my colleagues that I have talked to them from the floor and have spoken with many of them personally during the past few weeks. Today I am beginning my second week of daily speeches in behalf of the Bureau of Reclamation project near Waurika, Okla.

From the letter just stated, one can readily see that the miserable conditions at Waurika have again been compounded. Now a health and sanitation problem has arisen in the backlog of the flood.

Mr. Speaker, these are my people, my constituents. They are being made to endure a situation which is a disgrace in the 20th century in our Nation. As I have said before, these Americans are the victims of an American tragedy. Today the tragedy is not one of nature; it is a tragedy caused by inaction.

With our modern scientific engineering, we can build dams to prevent such flooding and alleviate such drought conditions. Look what has happened in the Tennessee Valley since TVA. Though Beaver and Cow Creeks cannot be compared to the mammouth Tennessee River system, the same basic kind of scientific principles can be applied.

Mr. Speaker, today we are building Bureau of Reclamation and Corps of Engineers projects in many States including Oklahoma. In many cases these projects are not so urgently needed. Most of these projects cost more than the $25 million needed for the Waurika Dam. May I again state that the Waurika project is not a giveaway. It is a project which will pay for itself. My people, the users of this water supply, will gladly bear this burden. They will gladly pay the price for the Waurika project.

The surrounding cities such as Lawton, Duncan, Comanche, Waurika, Walters, and Temple can and will use the water from the Waurika Reservoir. Water is needed for industry, particularly at Duncan and Lawton.

What city can grow without water? What town can even hold its own without an adequate water supply which means room for growth? The answers are obvious. Without the possibilities of increased water supplies, many of the aforementioned towns have no chance to grow.

We have been debating the farm bill during the last week. Most of us are aware of the plight of the American farmer—that is the little farmer, the small man. All of us are familiar with the exodus that has occurred from the 1930's to the present from the farming areas. All of us from farm States know what has happened to the population counts in the agrarian counties. It has steadily receded. My friends with decreased farm populations, some of these towns have their backs up against the economic wall. As Members of Congress, we can either lend a helping hand or we can sit here and await the execution. Much like the Ancient Mariner, it is a case of "water, water everywhere and nary a drop to drink."

Mr. Speaker, today I have outlined another point in the need for the Waurika project. I have just begun to fight. My people need help; and so help me God, we will make any sacrifice, share any burden, and talk and write until we are blue in the face. We will not give up.

PEREZ, LOVELL TACTICS DETRIMENTAL TO LOUISIANA AGRICULTURE

(Mr. McSWEEN at the request of Mr. HAGAN of Georgia) was granted permission to extend his remarks at this point in the body of the RECORD.)

Mr. McSWEEN. Mr. Speaker, even with the amazing industrial growth in Louisiana in recent years agriculture is still my State's most important industry. Hundreds of thousands of Louisianians other than farmers gain their livelihood either directly or indirectly from annual farm-marketing receipts in excess of $400 million. In my own congressional district there is hardly a person who is not materially benefitted from stable and profitable farm operations in cotton, rice, sugar, corn, and other row crops, dairying, poultry, hogs, and beef cattle. I deeply regret that seeds of disunity have been sown in recent months among Louisiana farmers and ranchers. This dissension has an alien source, and the tactics that have been employed in creating it have not been straightforward.

On May 25 I witnessed a remarkable political spectacle in Baton Rouge. At a meeting of the Democratic State Central Committee held in the State Capitol a controversial political figure, Leander H. Perez, expressed an interest in the farm bill. Mr. Perez had joined the Farm Bureau May 19, 1962, as a charter member of the Plaquemines Parish chapter. Mr. Perez, who in 1960 almost succeeded in his attempt to have the Democratic State Central Committee prevent the Democratic Party nominees for President and Vice President of the United States from appearing on Louisiana ballots under the party emblem, offered a resolution that would have required candidates for Congress and the Senate in order to qualify to take an oath that they would not support the farm bill. His argument was that title I of the bill was communistic and similar to land reform in Communist China and Communist Cuba. During the course of the deliberations he counseled with Mr. Dave Means, also a member of the committee, who is the third vice president of the Louisiana Farm Bureau Federation. Mr. Perez was unsuccessful in his attempt to pass his resolution, but his tactics had the effect in Louisiana of casting doubt about the purpose of the farm bill by injecting without any justification whatsoever the Communist issue. These tactics were for the specific purpose of dividing farmers and creating disunity. They were calculated to appeal to emotion rather than reason. They are detrimental to Louisiana agriculture. This move was also a sinister threat to the right of duly elected Representatives and Senators to exercise free judgment within the bounds of representative government in a republic.

Another person who has employed misleading tactics and who has conducted a campaign against the farm bill unworthy of the respect of Louisiana farmers is L. L. Lowell, the $13,995 per year salaried executive of the Louisiana Farm Bureau Federation. Mr. Lovell started preaching against this bill even before it had been introduced, and he set in motion the Farm Bureau campaign apparatus against the bill even before it had received committee consideration. Dues paying Farm Bureau members in Louisiana, whether farmers or nonfarmers, were given no opportunity to study the provisions of the bill that came before the House and Senate before their dues were being ironically used to indoctrinate them with misleading propaganda against the farm bill.

In addition to giving Louisiana farmers no opportunity to learn for themselves the actual issues involved in the farm bill, Mr. Lovell misrepresented the bill to farmers. In connection with the so-called decision day membership drive conducted by the Farm Bureau in Louisiana on May 10, prospective new members were asked to register their approval or disapproval of the farm bill by either joining or not joining the Louisiana Farm Bureau Federation, the only such farm organization available for farmers in Louisiana to join. Prospects were not given either a copy or a digest of the bill upon which to base their decision. They were asked instead to base their decision either on the fact that the bill was connected with the Kennedy administration or on a Farm Bureau pamphlet containing misleading and exaggerated information. Three of the four cardinal Farm Bureau criticisms of the bill printed in this pamphlet concerned provisions of the bill that had been already deleted by the Agriculture Committees prior to this so-called decision day exercise. This misleading literature has also been used by paid Farm Bureau officials at countless campaign meetings throughout Louisiana to try to drum up blind opposition to the farm bill from loyal Farm Bureau members.

June 29, 1962

rather than units of land and where personal history was generally used prior to 1962. The conferees stipulated that no language in the bill agreed upon could be deemed to deny the Secretary authority to make State allocations with respect to cane sugar as well as to beet sugar.

"5. Places limitations on direct-consumption sugar substantially similar to those in the House bill. This would limit the direct-consumption sugar that may be entered from foreign countries other than the Republic of the Philippines to the average entries during the years 1957-59 of such sugar from countries which receive a proration of 20,000 tons or less. No direct-consumption imports would be permitted from countries, other than the Philippines, with quotas of more than 20,000 tons. Provides that replacement supplies of sugar authorized for importation in lieu of quotas of countries not in diplomatic relations with the United States, such as Cuba, shall be in raw sugar so long as raw sugar is reasonably available from all authorized sources combined. If the Secretary finds that raw sugar is not reasonably available, he may authorize the purchase of direct-consumption sugar as required.

"6. Provides that a deficit in the quota or proration for any domestic area or foreign country would be prorated, in accordance with their basic quotas or prorations, to quota countries with which the United States maintains diplomatic relations and which are able to fill such deficit. If these countries cannot fill all of such deficit, the remainder would be apportioned by the Secretary to nonquota countries with which we are in diplomatic relations.

"7. Provides that any nation or political subdivision thereof which hereafter unlawfully expropriates American-owned property or otherwise seriously discriminates against such property and fails to take remedial action within a reasonable time will have its quota, proration, or authorization to import sugar suspended. Further provides that if the President, in his discretion, finds that any nation discriminates against U. S. citizens in its sugar program, he shall suspend the quota or other authorization of such nation.

"8. Provides that quotas apply to the sugar content of any sugar-containing product or mixture which does not have a recent history of importation unless the Secretary finds that importation will not substantially interfere with attainment of the objectives of the act. The Secretary may also apply quotas to the sugar content of any sugar-containing product or mixture that has a history of importation in recent years if he finds that importation of the product or mixture will substantially interfere with attainment of the objectives of the act.

"9. Sets up a small liquid sugar quota to permit the importation of sirup of cane juice of the type of Barbados molasses and eliminates other liquid sugar quotas.

"10. Prohibits the importation into the Virgin Islands of any sugar not produced in domestic areas and only sugar produced in the Virgin Islands would be eligible to be brought into the continental United States within the quota for the Virgin Islands."

2. FARM BILL. The "Daily Digest" states that the Agriculture Committee "ordered reported favorably to the House H. R. 12266 (amended, a clean bill to be introduced), the new general farm bill." p. D540

3. FARM LABOR. Rep. Roberts commended proposed legislation to authorize grants for family clinics for the domestic agricultural migratory workers and inserted several articles on "the need for assistance in this field for the migratory farmworkers." pp. 11479-81

4. ESTES INVESTIGATION. Rep. Andersen defended his actions in the Estes case, stating that he had been "a victim of circumstances." p. 11440

5. EXPORT CONTROL. Both Houses received the conference report on S. 3161, to provide for continuation of authority for the regulation of exports for three years until June 30, 1965. (H. Rept. 1955)(pp. 11410-11, 11440-1). The Senate agreed to the conference report (pp. 11410-3).

6. ATOMIC ENERGY. The Rules Committee reported a resolution for consideration of H.R. 11974, to authorize appropriations for the Atomic Energy Commission. pp. 11442, 11487

7. PERSONNEL; PROCUREMENT. Passed without amendment H. R. 12180, to extend for two years, until July 1, 1964, the existing provisions of law relating to the free importation for personal and household effects brought into the U. S. by military and civilian personnel returning to the U. S. under Government orders. pp. 11443-4

8. LAND-GRANT COLLEGES. Reps. Chamberlain and Price commended the work of the land-grant colleges on their 100th anniversary. pp. 11456-9, 11471

SENATE - JUNE 29

9. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10904, the Labor-HEW appropriation bill for 1963 (S. Rept. 1672). p. 11376

10. ATOMIC ENERGY. The Joint Committee on Atomic Energy reported with amendments S. 3392, to authorize appropriations for the Atomic Energy Commission (S. Rept. 1671). p. 11376

11. INTERGOVERNMENTAL RELATION. The Government Operations Committee reported an original resolution, S. Res. 359, authorizing the creation of a Subcommittee on Intergovernmental Relations. p. 11377

12. VETERANS LOANS. Sen. Sparkman commended the program for guaranteed and direct home loans for veterans and stated that certain of the authorities for these loans will begin expiring this year. pp. 11378-9

13. LAND-GRANT COLLEGES. Sens. McGee, Hartke, and Carroll commended the work of the land-grant colleges on their 100th anniversary. pp. 11382, 11384, 11386-7

14. VIRGIN ISLANDS. Passed as reported S. 2429, to revise the boundaries of the Virgin Islands National Park. pp. 11387-8

15. WHEAT. The Foreign Relations Committee voted to report the International Wheat Agreement, 1962. p. D539

16. TRANSPORTATION. Passed with amendment S. 2560, to provide for stricter enforcement of the Interstate Commerce Act relating to common carriers. pp. 11388-9, 11394-402

17. ELECTRIFICATION. Sen. Humphrey inserted a report by John Hoke, Communications Resources Division of AID, "A Report on Small Power Sources." pp. 11390-1

18. CONTRACTS. Passed with amendments H. R. 12061, to extend the Renegotiation Act of 1951. pp. 11402-10, 11421-4, 11428-32

19. HEALTH INSURANCE. Sens. Anderson, Javits, Case (N. J.), Carroll, Cooper, Humphrey and Morse discussed proposed legislation for health insurance for the

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil,

water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided,* That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards

to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended by amending subsection (e) thereof to read as follows:

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

Recreation deleted

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and

without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constucted or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made

until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided*, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of

such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further*, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet

(a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement

programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows: "In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the

word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure

"65" and inserting "50" and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided*, That no producer of malting barley shall be required to participate in such special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn

and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus

supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates

for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary

may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105 (c) (6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g) (1), barley shall not be included in the program for a producer of malting barley as described in section 105 (c) (6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropri-

ated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 author-

ized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334 (c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of

Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production,

so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be de-

livered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm

for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection

(b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a),

the farm shall be in compliance with the farm wheat acreage allotment.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of

the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the

production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a) : *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made

pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation pro-

gram or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c)(2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special

wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

Sec. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

Sec. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree

to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as

much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establish-

ing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a

factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price

there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without

regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306 (a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309 (f) (1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

87TH CONGRESS
2D SESSION

H. R. 12391

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

JULY 2, 1962

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 13, 1962
For actions of July 12, 1962
87th-2d, No. 118

CONTENTS

Appropriations.....9,34
Area redevelopment.....28
Budgeting.....9
Contracts.....29
Cotton.....8
Dairy.....20
Economics.....35
Education.....24
Electrification...5,23,32
Farm program.....1,7,26
Foreign affairs.....16
Foreign agriculture..14,25
Foreign aid.....2,22
Foreign trade.....21
Forestry.....19
Holiday.....31
Honeybees.....7
Intergovernmental relations.....17
Land-grant colleges..15,24
Lands.....11
Legislative program.....7
Lobbying.....16
Medical care.....12
Migratory labor.....10
Milk marketing.....20
Monopolies.....18
Patents.....30
Personnel.....33
Public Law 480.....2
Public welfare.....12
Reclamation.....27
Retirement.....33
Small business.....4
Stockpile.....8
Sugar.....7,16
Taxation.....13
Water resources.....6
Wheat referendum.....3

HIGHLIGHTS: House committee reported farm bill. House passed measure to extend wheat referendum to August 31, 1962. Senate committee reported bill for disposal of stocks of extra long staple cotton. House passed foreign aid authorization bill

HOUSE

1. FARM PROGRAM. The Agriculture Committee reported with amendments H. R. 12391, the new farm bill (H. Rept. 1976). p. 12559

2. FOREIGN AID. Passed with amendment S. 2996, the foreign aid authorization bill, after substituting the language of a similar bill, H. R. 11921. (H. R. 11921 had been passed earlier in the day with amendments by a vote of 250 to 164. (pp. 12486-541) Conferees were appointed (p. 12541).

Agreed to the following amendments:

By Rep. Casey, by a vote of 277 to 4, as amended by an amendment by Rep. Morgan, to give the President discretionary authority to furnish assistance to communist countries when he finds it to be in the national interest. pp. 12486-512

By Rep. Hardy, to provide that the President shall establish procedures to insure that foreign aid is not used to promote projects and activities of the Communist-bloc countries. p. 12512

By Rep. Rogers, to provide that no assistance shall be furnished to the present Government of Cuba, or to any country which furnishes assistance to that Government, unless the President finds it to be in the national interest. pp. 12514-5

Rejected the following amendments:

By Rep. Barry, to provide that surplus commodities sold to foreign countries under Public Law 480 shall be sold at rates of exchange not less favorable than the highest rates legally obtainable from the governments of the purchasing countries. pp. 12527-8

By Rep. Fino, to provide that no assistance shall be provided under this bill or under Public Law 480 to any country which does not share the view of the U. S. on the world crisis. pp. 12515-6

3. WHEAT REFERENDUM. Passed without amendment H. J. Res. 809, to provide that the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963, may be conducted not later than August 31, 1962 (p. 12544). This measure had been reported without amendment earlier in the day by the Agriculture Committee (H. Rept. 1975)(p. 12559).

4. SMALL BUSINESS. Received the conference report on S. 2970, to increase the revolving fund of the Small Business Administration (H. Rept. 1974). pp. 12541-2

5. ELECTRIFICATION. Rep. May urged approval of proposed legislation to authorize construction of electric generating facilities at the new production reactor at Hanford, Wash. pp. 12552-3

6. WATER RESOURCES. Received from the Department of the Army several reports of the Corps of Engineers on rivers and harbors and flood control projects. p. 12559

7. LEGISLATIVE PROGRAM. Rep. Albert announced the following program: Fri.: H. R. 8050, importation of honeybees and allocation of sugar quotas to Western Hemisphere countries; Mon.: the new farm bill, if a rule is granted. p. 12544

SENATE

8. COTTON. The Agriculture and Forestry Committee reported without amendment H. R. 10595, to facilitate the sale and disposal of Government stocks of extra long staple cotton (S. Rept. 1724) (p. 12396). See Digest No. 80 for provision of this bill.

9. BUDGETING; APPROPRIATIONS. Sen. Dirksen commended and inserted a letter from Sen. Robertson to the Speaker of the House urging House action on S. 529, a bill to create a joint committee on the budget, which contains a provision that such a joint committee would select its own chairman, and that the chairmanship would rotate between the House and the Senate, with the chairmanship going to the House of Representatives in the even-numbered years and to the Senate in the odd-numbered years. This bill passed the Senate in the 1st session of the current Congress and is now pending in the House Rules Committee. pp. 12413-4

10. MIGRATORY LABOR. Agreed to without amendment S. Res. 360, increasing from $50,000 to $70,000 the funds for investigation of migratory labor. p. 12480

11. LANDS. The Interior and Insular Affairs Committee reported with amendment S. 1161, to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation (S. Rept. 1723). p. 12396

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1976

FOOD AND AGRICULTURE ACT OF 1962

JULY 12, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 12391]

The Committee on Agriculture, to whom was referred the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, line 24, after "them" insert:

> and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act).

Page 13, line 1, strike out "65" and insert "90", strike out "50" and insert "80", and following "by" insert "striking out the colon and the proviso thereof and by".

SHORT SUMMARY OF H.R. 12391

Following recommittal by the House of H.R. 11222, the chairman introduced a bill (H.R. 12266) adopting several amendments to H.R. 11222 made by the House and substituting for the permanent feed grain and wheat programs proposed in H.R. 11222 1-year extensions of the 1962 feed grain and wheat programs.

85006—62——1

H.R. 12266 was considered for 5 days by the committee in executive session and, after the adoption of several amendments, was approved by the committee as amended. H.R. 12391 is a "clean bill" embodying the amendments made by the committee to H.R. 12266. The committee has made two additional amendments to the new bill. Following is a comparison of the major provisions of H.R. 12391 with the 1962 wheat and feed grain programs and with H.R. 11222.

TITLE I—CONSERVATION

Title I of the bill is the same as title I of H.R. 11222 except that (1) all reference to recreation has been eliminated from the title (including section 103 of H.R. 11222 which authorized the Department of Agriculture to cooperate with local agencies in developing recreational areas in connection with upstream watershed projects). (2) The following amendments to section 101, adopted by the House when H.R. 11222 was under consideration, have been included: (*a*) Programs under section 101(e) have been limited to 10 years; (*b*) payments with respect to the establishment of tree cover under such programs have been limited to 5 years; and (*c*) the land must have been in the same ownership at least 2 years before an agreement can be entered into under this subsection. (3) An amendment to section 102, ruling out diversion of farmland to industrial parks or private industrial or commercial development, has been included. The committee amendment to section 101(e) limits programs thereunder to lands regularly used in the production of crops.

TITLE II—PUBLIC LAW 480

This title is the same as it appeared in H.R. 11222 except that—

(*a*) Section 201 of the previous bill, which authorized CCC to purchase for oversea donation surplus commodities not in its own inventory, has been eliminated.

(*b*) A sentence has been added at the end of section 205 to provide that school lunch programs inaugurated under the authority of sections 202, 203, and 204 shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

This part of the bill was title IV in H.R. 11222. The provisions of title III of H.R. 11222 (making a change in the Marketing Agreements Act of 1937 with respect to potatoes) was struck out on the floor and has been omitted from this bill.

This title now contains with certain modifications (1) a 1-year extension of the 1962 feed grain program, (2) a 1-year extension of the 1962 wheat program, and (3) the dairy program contained in H.R. 11222.

Feed grains

This bill would continue the 1962 feed grain program for the crop year 1963 with the following modifications:

(*a*) The separate programs for corn and grain sorghums and for barley are combined into one program embracing all three commodities. The programs were set up separately for 1962 only because,

at the time the legislation was passed, fall barley was already being seeded and the committee felt that it would be unfair to include barley in a single program along with the spring-planted crops corn and grain sorghum. Since that situation will not exist with respect to 1963, the committee has combined the three feed grains into a single program and producers will have their option as to which of the three grains are planted on their feed grain acreage. The exemptions provided for malting barley are continued for 1963.

(*b*) The total amount of feed grain acreage which may be retired has been increased to 50 percent. Twenty percent of such acreage must be retired in order to qualify the producer for price supports on the three feed grains and an additional 30 percent may be retired, at the producer's option, instead of the additional 20 percent in the 1962 program.

(*c*) In view of the increased acreage retirement authorized, payments for retired acreage have been established at 45 percent of the normal yield at current support prices for the first 20-percent acreage retirement and 50 percent of the normal yield for the additional acreage retired. Comparable rates of payment in the 1962 program are 50 and 60 percent.

(*d*) A provision is included with respect to computing normal yield on farms which have installed irrigation since the base period (1959–60). (This also applies to wheat.)

(*e*) Table vegetables are eliminated from those crops which may be designated by the Secretary for production on diverted acreage. (This also applies to wheat.)

Support price for corn

The committee amendment to section 301 of the bill changes the level of support for corn under the basic statute (sec. 105(a) of the Agricultural Act of 1949) from 90 percent of the 3-year average of prices received by farmers, with a floor of 65 percent of parity, to 80 percent of the 3-year average, with no fixed floor. This would not affect support prices under the 1962 or 1963 programs but would come into effect beginning in 1964, if no further action were taken by the Congress in the meantime.

Wheat

The 1962 wheat program is extended to 1963 with only the following major changes:

(*a*) The total acreage which may be retired is increased from 40 to 50 percent of the wheat acreage allotment. The required reduction of 10 percent is retained but the additional acreage which may be retired at the producer's option is increased from 30 to 40 percent.

(*b*) In view of this increase in the allowable retirement, the rate of payment for the acreage voluntarily retired is reduced from 60 percent of the normal yield multiplied by the current support rate to 50 percent of the normal yield. The rate of payment for the first 10 percent of the acreage retired is retained at 45 percent of the normal yield.

(*c*) See paragraphs (d) and (e) under "Feed Grains."

Dairy program

The bill retains the dairy program contained in H.R. 11222 with the following changes:

(*a*) The period of time for operation of the program is from October 1, 1962, to June 30, 1963. In H.R. 11222 the program would have extended from the time of enactment of the bill until March 31, 1963.

(*b*) The provision which would have authorized a producer to transfer his milk production base to another producer has been eliminated.

Purchase of dairy products

The bill contains a new provision (sec. 328) requiring that whenever price-support operations for dairy products are carried out by loans on or purchase of the products of milk or butterfat, the Secretary shall require certification that the milk or butterfat from which the product was made was acquired from producers at not less than the support price.

TITLE IV—GENERAL PROVISION

The provisions of this title are the same as the provisions of title V of H.R. 11222, except that the authority for the Farmers Home Administration to make loans to local organizations for the development of rural sewer systems has been eliminated.

The Wheat Situation

The total supply of wheat for the 1962–63 marketing year ahead is estimated at 2,410 million bushels. This is about 9 percent below last year. The July 1, 1962, total carryover is estimated at 1,345 million bushels, down 67 million bushels from a year earlier. Stocks will remain far in excess of our needs for reserves to meet possible emergencies, however. With a prospective reduction in output under the 1962 wheat program, a further decrease in carryover is expected by July 1, 1963—a decrease of about 150 million bushels.

Domestic disappearance of wheat in 1961–62 is estimated at nearly 600 million bushels, down slightly from the previous year. Exports may set a new record of 710 million bushels, and exceed the quantity used domestically in the United States.

Total supply and utilization of wheat for the marketing years 1952–62 are given in table 1.

The Department of Agriculture reports that as of April 30, 1962, CCC had approximately $2,459 million invested in 1,247 million bushels of wheat; i.e., more than a year's domestic and export requirements. Prices, acreages, and CCC holdings for the period 1950–62 are shown in table 2.

Hard Red Winter wheat is the dominant surplus class of wheat at this time, and carryover stocks have almost doubled since July 1, 1958. There is, however, a potential surplus in every class of wheat except Durum, since shipments under Government export programs have been a major factor in keeping U.S. carryovers of some classes down.

Durum stocks are currently at low levels, but the 1962 program provides that producers may increase their Durum acreage. Nearly 14,000 producers signed up to be eligible for acreage expansion and indicated their intention to increase Durum plantings by nearly

442,000 acres (table 3). As a result, Durum production is expected to total 43 million bushels in 1962, which would be the largest crop since 1948 and more than twice the size of the 1961 crop. A crop of this size would meet domestic and export needs and increase Durum stocks to more desirable levels.

Carryover stocks, supplies, and utilization of wheat by classes are shown in table 4.

TABLE 1.—*Wheat: Supply and distribution, United States, 1952–60 and 1961 and 1962 projected*

[In millions of bushels]

	Year (beginning July)—										
	1952	1953	1954	1955	1956	1957	1958	1959	1960 [1]	1961 [2 3]	1962 [3]
Supply:											
Carryover, July 1	256.0	605.5	933.5	1,036.2	1,033.5	908.8	881.4	1,295.1	1,313.5	1,412	1,345
Production	1,306.4	1,173.1	983.9	937.1	1,005.4	955.7	1,457.4	1,121.1	1,357.3	1,235	1,058
Imports [4]	21.6	5.5	4.2	9.9	7.8	10.9	7.8	7.4	8.2	6	6
Total	1,584.0	1,784.1	1,921.6	1,983.2	2,046.7	1,875.4	2,346.6	2,423.6	2,679.0	2,653	2,409
Domestic disappearance:											
Food [5]	488.4	487.1	485.9	481.6	482.3	485.9	496.8	496.2	496.0	500	500
Seed	89.1	69.5	64.8	67.7	58.0	63.0	64.3	62.9	64.0	57	54
Industry	.2	.2	.2	.7	.5	.3	.1	.1	.1	------	------
Feed [6]	83.0	76.8	60.1	53.5	47.6	41.9	47.0	40.7	44.8	41	40
Total	660.7	633.6	611.0	603.5	588.4	591.1	608.2	599.9	604.9	598	594
Exports [7]	317.8	217.0	274.4	346.3	549.5	402.9	443.3	510.2	661.9	710	620
Total disappearance	978.5	850.6	885.4	949.8	1,137.9	994.0	1,051.5	1,110.1	1,266.8	1,308	1,214
Stocks on June 30	605.5	933.5	1,036.2	1,033.4	908.8	881.4	1,295.1	1,313.5	1,412.2	1,345	1,195

[1] Preliminary.
[2] Imports and distribution are partly estimated.
[3] Projected.
[4] Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour; also flour free for export.
[5] Includes shipments to U.S. territories and wheat for military food use at home and abroad.
[6] This is the residual figure, after all disappearance is accounted for.
[7] Exports are of wheat, including flour wholly from U.S. wheat and other wheat products in terms of wheat. They include exports for relief or charity by individuals and private agencies. Shipments are included in domestic disappearance for food.

Source: U.S. Department of Agriculture, "Wheat Situation," April 1962.

TABLE 2.—*Relationship of support prices and acreage diversion to production and CCC holdings of wheat, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushels)	CCC holdings at end of marketing year for crop (bushels)[1]		
	Support price	Average farm price	Planted	Diverted under soil bank and wheat program		Inventory	Loans	Total
1950	$1.99	$2.00	71.3		1,019.3	196.4	11.2	207.6
1951	2.18	2.11	78.5		988.2	143.3	22.3	165.6
1952	2.20	2.09	78.6		1,306.4	470.0	44.4	514.4
1953	2.21	2.04	78.9		1,173.2	774.6	91.0	865.6
1954	2.24	2.12	62.5		983.9	975.9	14.7	990.6
1955	2.08	1.99	58.2		937.1	950.7	45.1	995.8
1956	2.00	1.97	60.7	5.7	1,005.4	823.9	13.8	837.7
1957	2.00	1.93	49.8	13.3	955.7	834.9	37.4	872.3
1958	1.82	1.75	56.0	6.1	1,457.4	1,146.6	88.0	1,234.6
1959	1.81	1.76	56.8	2.3	1,121.1	1,195.4	91.9	1,287.3
1960	1.78	1.75	54.9	3.2	1,357.3	1,242.5	125.6	1,368.1
1961	[2] 1.79	1.90	55.6	3.2	1,234.7	1,207.2	100.0	[2] 1,307.2
1962 [3]	2.00	2.00	42.8	15.9	1,075.0	1,082.8	80.0	1,162.8

[1] For wheat, data shown are as of June 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projections based on the 1963 budget estimates.

TABLE 3.—*1962 special Durum wheat program: Final report on signup as of Apr. 30, 1962*

State	Estimated total number of eligible Durum wheat farms [1] (1)	Number of applications filed (2)	1960–61 average acres of Durum wheat on such farms (acres) (3)	1962 original allotment on such farms (4)	Indicated Durum increase on such farms (acres) (5)	1962 conditional allotment on such farms (6)	Limit for other wheat established for such farms (acres) (7)
California	407	238	6,852	6,974	2,487	9,462	2,361
Total, Southwest	407	238	6,852	6,974	2,487	9,462	2,361
Minnesota	3,343	397	20,550	35,468	8,127	43,552	15,384
Montana	1,061	746	86,312	223,421	33,871	257,287	138,442
North Dakota	22,448	11,132	969,194	1,255,069	377,694	1,632,763	305,112
South Dakota	3,337	1,170	50,530	72,412	19,570	91,957	23,266
Total, Northwest	30,189	13,445	1,126,586	1,586,370	439,262	2,025,559	482,204
Total, United States	30,596	13,683	1,133,438	1,593,344	441,749	2,035,021	484,565

[1] Excludes new wheat farms, total conservation reserve farms, and Government restrictive leases.

TABLE 4.—*Wheat: Estimated supply and distribution by classes, United States, 1957–61*

[In millions of bushels]

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957–58						
Carryover, July 1, 1957	648	10	196	13	42	909
Production	429	155	169	40	163	956
Imports [1]			11			11
Supply	1,077	165	376	53	205	1,876
Exports, including shipments [2]	219	30	38	1	118	406
Domestic disappearance [3]	245	129	135	27	53	589
Carryover, June 30, 1958	613	6	203	25	34	881
1958–59						
Carryover, July 1, 1958	613	6	203	25	34	881
Production	836	192	233	22	174	1,457
Imports [1]			8			8
Supply	1,449	198	444	47	208	2,346
Exports, including shipments [2]	259	43	46	1	98	447
Domestic disappearance [3]	251	134	147	27	45	604
Carryover, June 30, 1959	939	21	251	19	65	1,295
1959–60						
Carryover, July 1, 1959	939	21	251	19	65	1,295
Production	620	156	151	20	174	1,121
Imports [1]			7			7
Supply	1,559	177	409	39	239	2,423
Exports, including shipments [2]	292	40	49	1	130	512
Domestic disappearance [3]	261	127	142	24	43	597
Carryover, June 30, 1960	1,006	10	218	14	66	1,314
1960–61 [4]						
Carryover, July 1, 1960	1,006	10	218	14	66	1,314
Production	794	190	188	34	151	1,357
Imports [1]			8			8
Supply	1,800	200	414	48	217	2,679
Exports, including shipments [2]	430	55	35	6	138	664
Domestic disappearance [3]	261	133	142	26	41	603
Carryover, June 30, 1961	1,109	12	237	16	38	1,412
1961–62 [4] [5]						
Carryover, July 1, 1961	1,109	12	237	16	38	1,412
Production	755	203	116	19	142	1,235
Imports [1]			6			6
Supply	1,864	215	359	35	180	2,653
Exports, including shipments [2]	482	57	43	16	114	713
Domestic disappearance [3]	262	135	140	18	40	595
Carryover, June 30, 1962	1,120	23	176	1	25	1,345

[1] Excludes imports for milling-in-bond and export as flour.
[2] Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.
[3] Wheat for food (including military food use at home and abroad), feed, seed and industry.
[4] Preliminary.
[5] Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations.

The total wheat crop in 1962 may be the smallest in recent years. The June issue of Crop Production forecasts production of 1,058 million bushels—14 percent less than the 1961 crop.

The 1962 wheat program provides a mandatory reduction of 10 percent in farm allotments. Nationally this cut represents 5.5 million acres. In addition, wheat producers may retire additional acreage up to 40 percent of their allotment or 15 acres, whichever is greater. Reports show that 818,683 farms have signed up to divert 15,126,000 acres from wheat production to conserving uses. This diverted acreage is about 27 percent of the 1961 wheat plantings, and acreage on signed farms totals 45.5 million acres or about 82 percent of the wheat acreage planted in 1961 (table 5). Much of the acreage unsigned is on small farms or in the conservation reserve of the soil bank.

A continuation of the 1962 program for 1963, as proposed by H.R. 12391, should result in production being less than requirements once again, which will make possible further reductions in wheat stocks. The bill provides for a mandatory 10-percent cut in farm allotments and for additional payments to producers, who plant less than their allotment. The acreage which may be voluntarily diverted is greater than that provided in 1962, but the payment rate for the voluntary diversion is less than in 1962. It is estimated that these changes will tend to be counterbalancing and that about the same number of acres will be diverted in 1963 as in 1962. In such case, the program will further reduce wheat stocks during the 1963–64 marketing year.

Estimates made by the Department of Agriculture indicate that such stock reductions would be slightly more than 100 million bushels. Previously, the Department estimated that stock reductions under the long-range program proposed by H.R. 11222 would total 175 to 200 million bushels in the same marketing year. The program proposed by H.R. 12391 is a temporary program, however, and does not provide for wheat certificates, an essential feature of a long-range program for limiting wheat marketings and CCC costs.

TABLE 5.—*Wheat: Final report on signup under 1962 wheat stabilization program as of Apr. 30, 1962 (signup data excludes farms participating in the 1962 special Durum wheat program)*

State	Number of farms			1962			Program acres on signed farms [3]	Intended diverted acres on farms signed up				Permitted acres of wheat on farms signed up	Value of		Diverted acres devoted to other crops [4]
	Total eligible [1]	Signed up	Percent signed up	State allotment	Preliminary allotment on signed farms [2]	Percent on signed farms (cols. 5+4)		Minimum	Additional	Total	Percent diverted (cols. 10+7)		Permissible advance payments	Sight drafts issued to date	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Thousands	*Thousands*		*Thousands*	*Thousands*	*Thousands*	*Thousands*		*Thousands*	*Thousands*	*Thousands*	
Connecticut	(5)			0.5											
Delaware	1,946	458	23.5	30.7	10.5	34.2	11.7	1.1	3.0	4.1	35.0	7.6	57.7	31.7	
Maine	(5)			1.1											
Maryland	14,920	2,203	14.8	171.2	36.1	21.1	44.1	3.9	13.3	17.2	39.0	26.9	216.1	94.9	
Massachusetts	(5)			.6											
New Hampshire	(5)			.1											
New Jersey	4,738	1,542	32.5	50.4	25.2	50.0	30.7	2.8	10.0	12.8	41.7	17.9	199.4	102.7	
New York	34,898	21,484	61.6	318.5	211.7	66.5	275.2	26.6	117.3	143.9	52.3	131.3	1,999.3	1,579.4	
Pennsylvania	84,750	12,948	15.3	541.0	96.6	17.9	135.7	11.1	73.3	84.4		51.3	1,076.4	790.3	
Rhode Island	(5)			.4											
Vermont	(5)			.6											
Virginia	51,308	23,095	45.0	245.5	132.4	53.9	224.3	17.7	137.9	155.6	69.4	68.7	1,829.5	1,178.6	
West Virginia	6,102	1,076	17.6	33.8	6.2	18.3	7.9	.7	4.9	5.6	70.9	2.3	66.5	36.9	
Northeast	198,662	62,806	31.6	1,394.4	518.7	37.2	729.6	63.9	359.7	423.6	58.1	306.0	5,444.9	3,814.5	
Alabama	7,897	4,261	54.0	49.7	34.5	69.4	57.2	5.1	27.9	33.0	57.7	24.2	370.0	213.6	
Arkansas	16,563	6,563	39.6	68.7	42.2	61.4	103.4	9.3	54.1	63.4	61.3	40.0	874.3	500.8	
Florida	(5)			4.9											
Georgia	19,790	13,219	66.8	110.5	76.8	69.5	129.1	10.2	77.9	88.1	68.2	41.0	947.0	535.3	
Louisiana	(5)			21.7											
Mississippi	3,398	1,760	51.8	49.6	37.5	75.6	46.6	4.5	17.8	22.3	47.9	24.3	293.3	181.8	
North Carolina	85,796	49,636	57.9	288.5	197.4	68.4	406.6	29.7	288.3	318.0	78.2	88.6	3,636.4	3,197.7	
South Carolina	36,507	24,616	67.4	141.9	100.1	70.5	202.4	14.0	138.3	152.3	75.2	50.1	1,577.0	1,070.2	
Tennessee	35,693	14,213	39.8	183.8	92.0	50.1	141.1	11.5	81.7	93.2	66.1	47.9	968.9	612.9	
Southeast	205,644	114,268	55.6	919.3	580.5	63.1	1,086.4	84.3	686.0	770.3	70.9	316.1	8,666.9	6,312.3	
Illinois	142,096	22,948	16.1	1,439.0	402.1	27.9	509.7	46.1	115.1	161.2	31.6	348.5	2,071.3	865.6	10
Indiana	124,565	22,036	17.7	1,108.1	266.9	24.1	367.1	33.2	121.4	154.6	42.1	212.5	2,020.4	1,007.6	
Iowa	16,199	4,009	24.7	123.3	68.0	55.2	90.6	8.5	30.8	39.3	43.4	51.3	492.8	207.9	
Kentucky	29,364	8,164	27.8	207.8	81.8	39.4	116.9	10.6	50.9	61.5	52.6	55.4	733.8	394.3	
Michigan	115,614	36,186	31.3	954.5	356.7	37.4	536.9	44.5	214.1	258.6	48.2	278.3	3,409.9	2,327.4	
Missouri	142,005	71,165	50.1	1,355.6	862.2	63.6	1,243.9	104.5	545.4	649.9	52.2	594.0	8,711.3	5,474.0	

See footnotes at end of table, p. 10.

TABLE 5.—*Wheat: Final report on signup under 1962 wheat stabilization program as of Apr. 30, 1962 (signup data excludes farms participating in the 1962 special Durum wheat program)*—Continued

State	Number of farms			1962			Program acres on signed farms [3]	Intended diverted acres on farms signed up				Permitted acres of wheat on farms signed up	Value of		Diverted acres devoted to other crops [4]
	Total eligible [1]	Signed up	Percent signed up	State allotment	Preliminary allotment on signed farms [2]	Percent on signed farms (cols. 5+4)		Minimum	Additional	Total	Percent diverted (cols. 10+7)		Permissible advance payments	Sight drafts issued to date	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Thousands	*Thousands*		*Thousands*	*Thousands*	*Thousands*	*Thousands*		*Thousands*	*Thousands*	*Thousands*	
Ohio	147,776	34,590	23.4	1,501.7	485.9	32.4	587.4	52.8	188.1	240.9	41.0	346.5	3,150.2	1,635.8	----
Wisconsin	14,312	2,533	17.7	39.0	8.5	21.8	24.0	2.1	14.9	17.0	70.8	7.0	249.0	152.8	----
Middle West	731,931	201,631	27.5	6,729.0	2,532.1	37.6	3,476.5	302.3	1,280.7	1,583.0	45.5	1,893.5	20,838.7	12,065.4	10
Arizona	1,187	505	42.5	39.4	23.4	59.4	23.5	2.4	7.1	9.5	40.4	14.0	163.1	125.0	93
California	6,243	2,200	35.2	424.6	288.0	67.8	294.5	29.5	67.9	97.4	33.2	197.1	1,004.6	599.1	680
Colorado	20,608	13,814	67.0	2,644.5	2,272.1	85.9	2,281.2	228.2	612.4	840.6	36.8	1,440.6	9,720.0	2,174.1	511
Kansas	139,838	106,260	76.0	10,686.9	9,998.9	93.6	10,153.9	1,048.4	1,516.3	2,564.7	25.3	7,589.2	29,637.7	6,521.0	2
Nevada	[5]			12.5											----
New Mexico	4,604	2,181	47.4	470.2	341.9	72.7	321.4	34.6	92.2	126.8	39.5	194.6	1,069.6	316.2	----
Oklahoma	78,355	57,739	73.7	4,885.9	4,481.7	91.7	4,592.1	457.0	1,196.1	1,653.1	36.0	2,939.0	18,183.5	3,288.6	----
Texas	65,538	43,070	65.7	4,012.7	3,626.8	90.4	3,780.7	377.0	922.3	1,299.3	34.4	2,481.4	12,006.1	3,070.9	143
Utah	11,842	3,000	25.3	304.2	156.6	51.5	157.5	15.9	33.6	49.5	31.4	108.0	502.0	311.5	----
Southwest	328,215	228,769	69.7	23,480.9	21,189.4	90.2	21,604.8	2,193.0	4,447.9	6,640.9	30.7	14,963.9	72,286.6	16,406.4	1,429
Idaho	29,882	11,409	38.2	1,187.3	903.9	76.1	924.2	91.2	174.8	266.0	28.8	658.2	3,864.3	1,967.0	----
Minnesota	64,679	25,927	40.1	724.8	524.0	72.3	698.8	67.2	197.1	264.3	37.8	434.5	3,334.1	2,234.1	35
Montana	22,993	14,885	64.7	4,033.9	3,318.7	82.3	3,321.3	333.1	662.3	995.4	30.0	2,325.9	8,212.6	1,873.2	792
Nebraska	78,751	61,395	78.0	3,160.3	2,917.2	92.3	2,998.8	300.3	451.5	751.8	25.1	2,247.0	9,416.0	2,616.3	63
North Dakota	64,821	50,777	78.3	7,445.3	5,398.8	72.5	5,408.1	542.7	1,377.3	1,920.0	35.5	3,488.1	16,788.8	6,837.7	144
Oregon	17,056	7,681	45.0	848.8	739.9	87.2	762.5	75.6	115.9	191.5	25.1	571.0	3,119.0	1,832.0	----
South Dakota	41,745	27,233	65.2	2,747.5	2,283.6	83.1	2,345.3	239.7	536.3	776.0	33.1	1,569.3	7,272.2	3,578.4	----
Washington	16,657	10,274	61.7	2,027.3	1,866.0	92.0	1,913.4	190.2	309.7	499.9	26.1	1,413.5	8,634.9	3,150.8	----
Wyoming	3,710	1,628	43.9	287.6	201.7	70.1	202.5	20.3	23.0	43.3	21.4	159.2	395.8	205.1	21
Northwest	340,294	211,209	62.1	22,462.8	18,153.8	80.8	18,574.9	1,860.3	3,847.9	5,708.2	30.7	12,866.7	61,037.7	24,294.6	1,055
United States	1,804,746	818,683	45.4	54,986.4	42,974.5	78.2	45,472.2	4,503.8	10,622.2	15,126.0	33.3	30,346.2	168,274.8	62,893.2	2,494

[1] Excludes new wheat farms, whole farms in the conservation program and farms covered by Government restrictive leases.
[2] Allotment prior to 10 percent reduction.
[3] Data represents acreage from which reduction is being made on participating farms.
[4] Other crops—castorbeans, guar, safflower, sunflower and sesame.
[5] Noncommercial.

The Feed Situation

The supply of feed grains in the current marketing year is estimated at about 226 million tons, more than 5 million tons less than was available during the previous marketing year. This reduction was attained despite the record 85-million-ton carry-in at the beginning of the year, which was more than 4 times the 1952 carry-in. The supply figure includes a 140.6-million-ton crop in 1961 compared to a 155.5-million-ton crop in the preceding year.

Domestic disappearance and exports are both larger than anticipated earlier—137 million tons and 14 million tons, respectively. The resulting carryover is expected to be down to about 75 million tons. This is 10 million tons less than the carryover at the beginning of the year, and the entire reduction will be in stocks owned by CCC or under loan. Corn stocks alone are about 300 million bushels less than last year. However, the Department reports that as of April 30, 1962, CCC still had approximately $2,834 million invested in feed grains. Supply and utilization data as well as prices, acreages, and CCC holdings for the period 1950–62 are provided in tables 6–9.

The 1961 emergency feed grain program successfully reduced production, carryover, and CCC stocks, despite the unusually favorable weather experienced in the Corn Belt during the growing season. Net farm income in 1961 was a billion dollars more than in 1960—partly because of the feed grain program—but consumer food prices did not increase.

Final results of the 1961 program are provided in tables 10 and 11. Salient points relating to this program also include:

1. CCC has sold sufficient grain through June to recover all funds spent during 1961 to meet the pledges of farmers to retire croplands to conserving uses.

2. During the time these sales have been made, the market price for corn and sorghums has generally remained at a higher level than during the comparable period in 1960.

3. Retail food prices paid by consumers for meat, poultry, and dairy products have shown great stability during the period of the program—and these are the products which the feed grain market affects directly.

4. Net farm income in 1961 was about $1 billion higher than in 1960, a rise of more than 8 percent. A large part of this gain can be attributed to the feed grain program, to higher support prices for major farm commodities, and to increased cash marketings.

5. The taxpayer will benefit by millions of dollars in immediate reductions in storage, transportation, handling, and interest on grain moving out of Government hands into the market. Government expenditures over the next 9 years will be approximately $600 million less because of the lower level of feed grain carryover.

TABLE 6.—FEED GRAINS: TOTAL SUPPLY AND DISAPPEARANCE, UNITED STATES, MARKETING YEARS, 1950–61 [1]

[Million tons]

Year	Supply [2]						Utilization [2]				Carryover at close of year
	Carryover			Production	Imports [4]	Total	Livestock feed	Food, industry, seed	Exports [4]	Total	
	Government [3]	Other	Total								
1950	20.9	9.6	30.5	113.1	0.8	144.4	95.7	13.7	6.4	115.8	28.6
1951	14.8	13.8	28.6	104.8	1.3	134.7	97.7	12.1	4.8	114.6	20.1
1952	9.0	11.1	20.1	111.0	1.7	132.8	88.8	11.7	5.3	105.8	27.0
1953	16.6	10.4	27.0	108.3	2.2	137.5	89.9	12.1	3.8	105.8	31.7
1954	22.6	9.1	31.7	114.1	.9	146.7	89.7	12.4	5.5	107.6	39.1
1955	29.7	9.4	39.1	120.8	.8	160.7	96.8	12.5	8.1	117.4	43.3
1956	34.7	8.6	43.3	119.3	.9	163.5	94.3	12.6	7.7	114.6	48.9
1957	40.8	8.1	48.9	132.4	1.0	182.3	100.9	12.5	9.8	123.2	59.1
1958	49.2	9.9	59.1	144.1	.4	203.6	110.4	13.0	12.5	135.9	67.7
1959	57.7	10.0	67.7	149.6	.5	217.8	117.2	13.0	12.9	143.1	74.7
1960	65.7	9.0	74.7	155.5	.4	230.6	120.9	13.0	12.0	145.6	84.7
1961 [5]	75.0	9.7	84.7	140.6	.5	225.8	123.8	13.0	14.0	150.8	75.0
1962	65.0	10.0	75.0								

[1] Revised 1955–59 on basis of 1959 Census of Agriculture. Includes corn for grain only.

[2] October–September year for corn and sorghum grain, July–June year for oats and barley.

[3] Under loan or owned by CCC. Includes an allowance for purchase agreement deliveries of corn after Oct. 1 and oats and barley after July 1.

[4] Imports and exports include grain equivalent of products.

[5] Preliminary.

TABLE 7.—*Feed grains: Supplies and utilization, United States, annual 1950–62*

[Million bushels]

CORN

Marketing year beginning [1]	Supply				Utilization				
	Carryover	Production	Imports	Total	Livestock feed	Food and industrial use	Seed	Exports [2]	Total
1950	844	2,764	1	3,609	2,482	268	12	107	2,869
1951	740	2,629	1	3,370	2,555	240	12	76	2,883
1952	487	2,981	1	3,469	2,312	236	12	140	2,700
1953	769	2,882	1	3,652	2,387	236	13	96	2,732
1954	920	2,708	1	3,629	2,242	248	12	92	2,594
1955	1,035	2,873	1	3,909	2,366	258	12	108	2,744
1956	1,165	3,075	1	4,241	2,377	268	11	165	2,821
1957	1,420	3,045	2	4,467	2,534	269	11	183	2,997
1958	1,470	3,356	1	4,827	2,781	289	13	214	3,297
1959	1,530	3,825	1	5,356	3,056	289	12	212	3,569
1960	1,787	3,908	1	5,696	3,112	290	10	276	3,688
1961 [3]	2,008	3,624	1	5,633	3,268	305	10	350	3,933
1962 [4]	1,700								

OATS

1950	208	1,369	30	1,607	1,180	37	101	3	1,321
1951	286	1,278	62	1,626	1,206	36	105	2	1,349
1952	277	1,217	69	1,563	1,169	36	108	1	1,314
1953	249	1,153	80	1,482	1,101	36	118	(5)	1,255
1954	227	1,410	20	1,657	1,185	37	119	13	1,354
1955	303	1,496	3	1,802	1,280	38	111	26	1,455
1956	347	1,151	17	1,515	1,106	39	105	25	1,275
1957	240	1,290	25	1,555	1,069	40	95	26	1,230
1958	325	1,401	3	1,729	1,202	41	88	30	1,361
1959	368	1,052	2	1,422	991	42	79	43	1,155
1960	267	1,155	1	1,423	948	42	81	27	1,098
1961 [3]	325	1,013	2	1,340	935	42	76	12	1,065
1962 [4]	275								

BARLEY

1950	80	304	14	397	145	101	18	40	304
1951	94	257	13	364	151	93	15	31	290
1952	73	228	25	326	134	88	16	37	275
1953	51	247	38	336	131	91	24	19	265
1954	71	379	24	474	186	88	26	43	343
1955	131	403	28	562	228	90	24	103	445
1956	117	377	27	521	217	89	26	62	394
1957	127	443	24	594	221	87	26	92	426
1958	168	477	14	659	231	90	26	117	464
1959	195	422	18	635	233	92	25	118	468
1960	167	431	15	613	259	90	25	86	460
1961 [3]	153	393	20	566	257	90	24	65	436
1962 [4]	130								

SORGHUM GRAIN

1950	60	233	(6)	293	141	37	2	75	255
1951	38	163	(6)	201	115	12	2	62	191
1952	10	91	(6)	101	77	4	2	10	93
1953	7	116	(6)	123	79	5	2	15	101
1954	22	236	(6)	258	124	8	3	48	183
1955	75	243	(6)	318	160	8	3	66	237
1956	81	205	(6)	286	173	9	3	22	207
1957	79	568	(6)	647	269	9	3	57	338
1958	309	581	(6)	890	268	9	3	100	380
1959	510	555	(6)	1,065	370	12	2	100	484
1960	581	620	(6)	1,201	416	11	2	70	499
1961 [3]	702	483	(6)	1,185	403	10	2	70	485
1962 [4]	700								

[1] Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.
[2] Corn, sorghum grain, and oats, grain only; barley includes grain equivalent of malt.
[3] Preliminary.
[4] Based on indications in March 1962.
[5] Less than 500,000 bushels.
[6] Not reported separately.

TABLE 8.—*Relationship of support prices and acreage diversion to production and CCC holdings of corn, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (for grain) (bushel)	CCC holdings at end of marketing year for crop (bushel) [1]		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain programs		Inventory	Loans	Total
1950	$1.47	$1.52	82.9	----------	2,764.1	402.8	84.7	437.5
1951	1.57	1.66	83.3	----------	2,628.9	290.7	15.5	306.2
1952	1.60	1.51	82.2	----------	2,980.8	236.0	277.8	513.8
1953	1.60	1.48	81.6	----------	2,881.8	353.7	362.7	716.4
1954	1.62	1.43	82.2	----------	2,708.9	621.5	236.1	857.6
1955	1.58	1.35	80.9	----------	2,873.0	748.5	360.7	1,109.2
1956	1.50	1.29	77.8	5.3	3,075.3	873.3	386.6	1,259.9
1957	1.40	1.11	73.2	6.1	3,045.4	1,077.1	276.7	1,353.8
1958	1.36	1.12	73.4	8.1	3,356.2	1,184.3	216.3	1,400.6
1959	1.12	1.04	82.7	3.5	3,824.6	1,312.8	389.4	1,702.2
1960	1.06	1.00	81.7	4.6	3,908.1	1,371.0	556.3	1,927.3
1961	1.20	[2] .97	67.0	23.7	3,624.3	1,011.2	765.5	[3] 1,776.7
1962 [3]	1.20	1.02	67.0	21.3	3,540.0	820.0	810.0	[4] 1,630.0

[1] For corn, data shown are as of Sept. 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projected on basis of 1963 budget.
[4] As of June 30, 1963.

TABLE 9.—*Relationship of support prices and acreage diversion to production and CCC holdings of grain sorghums, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushel)	CCC holdings at end of marketing year (bushel) [1]		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inventory	Loans	Total
1950	$1.05	$1.05	16.1	----------	233.5	17.2	1.5	18.7
1951	1.22	1.32	15.0	----------	162.9	.5	.6	1.1
1952	1.33	1.58	12.3	----------	90.7	.1	2.9	3.0
1953	1.36	1.32	14.6	----------	115.7	21.7	12.7	34.4
1954	1.28	1.26	20.1	----------	235.6	68.0	8.1	76.1
1955	1.00	.98	23.9	----------	242.6	76.2	12.2	88.4
1956	1.10	1.15	21.4	----------	204.9	75.1	24.8	99.9
1957	1.04	.97	26.9	1.9	567.5	294.8	35.5	330.3
1958	1.02	1.00	20.7	2.6	581.0	490.6	24.8	515.4
1959	.85	.86	19.5	3.5	555.2	561.6	22.2	583.8
1960	.85	.84	19.6	3.9	619.9	673.4	43.3	716.7
1961	1.08	[2] .94	14.4	10.0	482.6	649.0	32.4	[3] 681.4
1962 [3]	1.08	.97	14.4	9.3	450.0	[4] 645.0	[4] 24.5	[4] 669.5

[1] For grain sorghums, data shown are as of Sept. 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projected on basis of 1963 budget.
[4] As of June 30, 1963.

The 1961 Feed Grain Program

Table 10.—*Acres of corn and grain sorghums diverted for payment and value of payments earned* [1]

State	Corn		Grain sorghums		Total corn and grain sorghums	
	Final acres diverted (in thousands of acres)	Value of payments (in thousands of dollars)	Final acres diverted (in thousands of acres)	Value of payments (in thousands of dollars)	Final acres diverted (in thousands of acres)	Value of payments (in thousands of dollars)
	(1)	(2)	(3)	(4)	(5)	(6)
Maine	0.3	14.4			0.3	14.4
New Hampshire						
Vermont	.9	38 0			.9	38.0
Massachusetts	.2	7.3			.2	7.3
Rhode Island	[2]	.9			[2]	.9
Connecticut	1.0	48.0			1.0	48.0
New York	172.5	6,644.3			172.5	6,644.3
New Jersey	37.4	1,898.9			37.4	1,898.9
Pennsylvania	158.8	6,774.6	0.8	20.6	159.6	6,795.2
Ohio	995.2	42,653.3	.2	6.8	995.4	42,660 1
Indiana	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9
Illinois	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4
Michigan	531.5	18,293.5	[2]	.7	531.5	18,294.2
Wisconsin	549.1	23,381.1	[2]	.2	549.1	23,381.3
Minnesota	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1
Iowa	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8
Missouri	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8
North Dakota	406.4	5,515.5	.2	2.2	406.6	5,517.7
South Dakota	818.5	14,484.2	69.3	1,237.3	887.8	15,721.5
Nebraska	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9
Kansas	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9
Delaware	36.9	1,512.7	[2]	.2	36.9	1,512.9
Maryland	77.4	3,129.0	[2]	2.2	77.4	3,131.2
Virginia	125.5	4,333.3	1.8	43.0	127.3	4,376.3
West Virginia	8.9	406.6	[2]	.3	8.9	406.9
North Carolina	492.9	15,661.6	26.3	578.5	519.2	16,240.1
South Carolina	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Georgia	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Florida	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Kentucky	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Tennessee	432.2	11,517.2	16.4	352.6	448.6	11,869.8
Alabama	407.2	7,547.6	6.5	100.3	413.7	7,647.9
Mississippi	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Arkansas	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Louisiana	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Oklahoma	59.4	1,528.4	445.5	7,357.0	504.9	8,885.4
Texas	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Montana	39.9	591.6			39.9	591.6
Idaho	6.7	334.4	[2]	2.2	6.7	336.6
Wyoming	11.8	369.0	.5	9.1	12.3	378.1
Colorado	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
New Mexico	5.4	205.5	100.7	2,424.7	106.1	2,630.2
Arizona	1.7	61.6	54.7	2,128.8	56.4	2,190.4
Utah	7.2	251.3	.2	5.0	7.4	256.3
Nevada	.8	24.0	[2]	.8	.8	24.8
Washington	16.8	965.6	2.3	83.5	19.1	1,049.1
Oregon	15.2	819.8	.1	3.1	15.3	822.9
California	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
United States	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

[1] Based on data reported to Grain Division by ASCS State offices.
[2] Less than 50 acres.

TABLE 11.—*Extent of farms participating in the program* [1]

State	Indicated total number of corn and/or grain sorghum farms (1)	Number of farms signed to participate (2)	Number of farms participating in program (3)	Percent of total number of farms participating (4)
Maine	946	44	39	4.1
New Hampshire	970			
Vermont	3,880	90	85	2.2
Massachusetts	1,911	13	12	.6
Rhode Island	291	1	1	.3
Connecticut	2,325	92	90	3.9
New York	41,206	16,168	15,036	36.5
New Jersey	6,447	1,941	1,922	29.8
Pennsylvania	81,526	14,928	14,565	17.9
Ohio	157,039	60,990	59,817	38.1
Indiana	156,730	66,579	65,683	41.9
Illinois	208,445	104,968	100,856	48.4
Michigan	96,664	34,400	33,806	35.0
Wisconsin	120,565	35,555	32,669	27.1
Minnesota	126,995	64,231	63,134	49.7
Iowa	191,603	108,730	106,748	55.7
Missouri	148,999	82,352	81,253	54.5
North Dakota	27,474	20,160	19,853	72.3
South Dakota	61,376	30,164	29,668	48.3
Nebraska	106,827	76,370	75,473	70.6
Kansas	121,606	84,251	82,936	68.2
Delaware	5,077	1,807	1,783	35.1
Maryland	21,714	4,151	4,107	18.9
Virginia	66,471	15,257	14,756	22.2
West Virginia	13,899	897	880	6.3
North Carolina	169,422	53,700	52,899	31.2
South Carolina	67,279	18,066	17,554	26.1
Georgia	83,032	14,143	13,727	16.5
Florida	16,177	4,615	4,529	28.0
Kentucky	114,963	40,200	39,705	34.5
Tennessee	106,576	36,255	35,675	33.5
Alabama	108,263	29,816	29,424	27.2
Mississippi	85,573	18,197	17,763	20.8
Arkansas	33,340	5,603	5,459	16.4
Louisiana	33,045	5,341	5,213	15.8
Oklahoma	50,838	22,912	22,212	43.7
Texas	168,357	80,384	77,334	45.9
Montana	2,966	1,674	1,654	55.8
Idaho	6,486	501	483	7.4
Wyoming	2,150	527	516	24.0
Colorado	17,758	8,057	7,880	44.4
New Mexico	5,495	2,363	2,320	42.2
Arizona	2,281	1,225	1,196	52.4
Utah	3,731	706	690	18.5
Nevada	164	45	44	26.8
Washington	3,289	1,132	1,097	33.4
Oregon	2,806	1,123	1,104	39.3
California	5,969	2,824	2,738	45.9
United States	2,860,946	1,173,548	1,146,388	40.1

[1] Based on data reported to Grain Division by ASCS State offices.

The Agricultural Act of 1961 continued the program for the 1962 crop of corn and grain sorghums and provided a similar program for the 1962 barley crop.

These 1962 programs have been greeted by farmers with enthusiasm and they have signed up to divert 29.6 million acres of corn and sorghums and about 3.1 million acres of barley to conserving uses (tables 12 and 13). The intended diversion of corn and sorghum grain acreage is 10 percent above the acreage farmers signed up for diversion in 1961.

While it is recognized that all farms may not divert the full acreage signed up, normal growing conditions should result in less production than in 1961, making possible a reduction in CCC stocks of about the same magnitude as in the current marketing year.

Diversion payments for the 1962 program are estimated at about $900 million.

Despite the success of the 1961 program and anticipated results of the 1962 program, stocks will still be higher than those considered adequate as a reserve.

The committee recommends that the 1962 feed grain program, which includes corn, sorghum and barley, be continued for the 1963 crop. Barley stocks are not excessive, and the program makes it possible to expand acreage of malting barley if this appears desirable again in 1963. The authorizing legislation includes the amendment to the Agricultural Act of 1961 which authorized the use of diverted acreage for annual crops, including flax, when such crops are not in surplus. It differs only slightly from the legislation authorizing the 1962 programs. These differences include:

1. Producers would be required to divert 20 percent of their base acreage to be eligible for price support, as was the case in 1962. In cases where 20 percent is less than 25 acres, producers could divert the full 25 acres. Under the 1962 program, the alternative quantity is 20 acres.

2. Producers could voluntarily divert an additional 30 percent under the 1963 program. Under the previous program, they could divert an additional 20 percent.

3. Producers would be paid for 45 percent of the normal production on the acreage required to be diverted at the basic county support rate, under the 1963 program. For voluntary diversion they would be paid at the 50-percent rate. Under the 1962 program, producers will be paid at the 50-percent rate for required diversion and at the 60-percent rate for voluntary diversion.

These lower payment rates could result in reduced participation in 1963, but the larger acreage that may be diverted voluntarily should offset reduced participation to some extent. It is believed that the net result will be total acreage diversion of about the same magnitude as in 1962.

TABLE 12.—*Corn and grain sorghums: Progress report on signup under 1962 feed grain program through Apr. 16, 1962*

State	Estimated Total number of corn and/or grain sorghum farms	Number of farms signed up	Percent of total farms signed up	Corn				
				Estimated base acreage [1] on all farms	Base acreage [1] on farms signed up	Percent of total base on signed farms	Intended diverted acres on farms signed up	Percent diverted (col. 7 plus 5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Thousands	*Thousands*		*Thousands*	
Connecticut	1,887	154	8.2	34.0	3.2	9.4	2.0	62.5
Delaware	4,993	1,646	33.0	159.0	67.9	42.7	36.6	53.9
Maine	88	56	63.6	10.0	.7	7.0	.6	85.7
Maryland	21,179	3,998	18.9	510.0	138.3	27.1	76.6	55.4
Massachusetts	1,000	19	1.9	26.0	.4	1.5	.3	75.0
New Hampshire	970			10.0				
New Jersey	5,730	2,365	41.3	156.0	77.4	49.6	46.9	60.6
New York	41,199	16,897	41.0	675.0	321.3	47.6	210.0	65.4
Pennsylvania	85,838	18,341	21.4	1,239.0	311.1	25.1	209.5	67.3
Rhode Island	290	2	.7	5.0	.1	2.0	[3]	
Vermont	3,888	96	2.5	48.0	1.8	3.8	1.3	72.2
Virginia	69,624	19,989	28.7	774.0	284.4	36.7	182.3	64.1
West Virginia	7,868	1,652	21.0	128.0	24.2	18.9	16.9	69.8
Northeast	244,554	65,215	26.7	3,774.0	1,230.8	32.6	783.0	63.6
Alabama	107,815	37,854	35.1	2,053.0	966.6	47.1	587.3	60.8
Arkansas	27,581	6,857	24.9	377.0	147.8	39.2	98.4	66.6
Florida	15,242	6,054	39.7	602.0	336.0	55.8	163.9	48.8
Georgia	72,984	25,182	34.5	2,743.0	1,244.4	45.4	611.5	49.1
Louisiana	30,968	8,480	27.4	432.0	196.1	45.4	120.2	61.3
Mississippi	83,861	25,950	30.9	1,251.0	592.2	47.3	352.0	59.4
North Carolina	148,134	63,421	42.8	2,026.0	1,089.6	53.8	653.1	59.9
South Carolina	60,655	23,643	39.0	864.0	479.7	55.5	283.5	59.1
Tennessee	108,641	45,262	41.7	1,535.0	852.8	55.6	579.5	68.0
Southeast	655,881	242,703	37.0	11,883.0	5,905.2	49.7	3,449.4	58.4
Illinois	207,595	97,365	46.9	10,764.0	6,298.6	58.5	2,356.3	37.4
Indiana	156,118	66,642	42.7	5,556.0	2,938.4	52.9	1,429.6	48.7
Iowa	189,820	114,178	60.2	13,225.0	9,136.3	69.1	3,429.8	37.5
Kentucky	96,993	43,982	45.3	1,760.0	955.0	54.3	617.7	64.7
Michigan	94,321	39,897	42.3	2,146.0	1,096.4	51.1	676.9	61.7
Missouri	141,926	82,717	58.3	4,766.0	3,995.7	83.8	2,166.8	54.2

Ohio	153,373	57,570	37.5	3,825.	1,750.6	45.8	1,010.5	57.7
Wisconsin	117,862	36,334	30.8	3,019.0	1,249.8	41.4	670.3	53.6
Midwest	1,158,008	538,685	46.5	45,061.0	27,420.8	60.9	12,357.9	45.1
Arizona	2,208	905	41.0	30.0	3.8	12.7	1.8	47.4
California	6,240	2,209	35.4	146.0	69.3	47.5	35.1	50.6
Colorado	17,395	7,772	44.7	492.0	246.3	50.1	125.0	50.8
Kansas	122,422	72,476	59.2	2,097.0	1,413.4	67.4	644.3	45.6
Nevada	164	7	4.3	4.0	0.1	2.5	0.1	100.0
New Mexico	5,176	2,480	47.9	38.0	14.7	38.7	8.4	57.1
Oklahoma	46,427	21,345	46.0	241.0	100.9	41.9	74.1	73.4
Texas	163,912	84,692	51.7	1,520.0	881.7	58.0	419.7	47.6
Utah	3,675	593	16.1	46.0	9.3	20.2	6.4	68.8
Southwest	367,619	192,479	52.4	4,614.0	2,739.5	59.4	1,314.9	48.0
Idaho	5,913	875	14.8	80.0	17.5	21.9	11.8	67.4
Minnesota	126,868	65,253	51.4	7,294.0	4,640.1	63.6	1,810.9	39.0
Montana	2,914	1,233	42.3	118.0	64.5	54.7	33.3	51.6
Nebraska	105,658	71,762	67.9	7,298.0	5,331.7	73.1	1,878.3	35.2
North Dakota	27,497	14,642	53.2	1,427.0	801.1	56.1	379.6	47.4
Oregon	2,768	1,037	37.5	53.0	25.6	48.3	16.4	64.1
South Dakota	61,086	26,028	42.6	4,573.0	2,288.7	50.0	808.7	35.3
Washington	3,046	1,380	45.3	87.0	45.3	52.1	24.9	55.0
Wyoming	2,099	515	24.5	64.0	24.7	38.6	12.2	49.4
Northwest	337,849	182,725	54.1	20,994.0	13,239.2	63.1	4,976.1	37.6
United States	2,763,911	1,221,807	44.2	86,326.0	50,535.5	58.5	22,881.3	45.3

See footnotes at end of table, p. 21.

TABLE 12.—*Corn and grain sorghums: Progress report on signup under 1962 feed grain program through Apr. 16, 1962*—Continued

State	Grain sorghums					Total value of permissible advance payments		Value of sight drafts issued to date	Value of certificates issued for feed grain
	Estimated base acreage [2] on all farms	Base acreage [2] on farms signed up	Percent of total base on signed farms	Intended diverted acres on farms signed up	Percent (col. 12 plus 10)	Corn	Grain sorghums		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	(*Thousands*)	(*Thousands*)		(*Thousands*)		(*Thousands*)	(*Thousands*)	(*Thousands*)	(*Thousands*)
Connecticut						42.8		10.3	
Delaware	0.7	0.1	14.2	[3]		716.5	0.4	570.3	
Maine						11.3		2.9	
Maryland	3.8	.6	15.8	0.3	50.0	1,411.3	3.2	694.9	
Massachusetts						5.8		1.5	
New Hampshire									
New Jersey	3.5	.9	25.7	.5	55.6	1,108.7	7.7	427.2	
New York	4.2	1.7	40.5	1.2	70.6	3,760.8	15.1	2,748.5	1.5
Pennsylvania	9.4	1.3	13.8	1.0	76.9	4,190.4	13.0	3,044.7	.8
Rhode Island						.7			
Vermont						25.8		9.1	
Virginia	11.9	4.5	37.8	2.6	57.8	2,872.8	27.2	2,213.2	
West Virginia	.1	[3]		[3]		365.3	.2	261.2	
Northeast	33.6	9.1	27.1	5.6	61.5	14,512.2	66.8	9,983.8	2.3
Alabama	40.1	17.4	43.4	8.4	48.3	5,066.6	58.9	4,125.4	
Arkansas	75.9	33.1	43.6	15.5	46.8	1,175.0	157.0	1,094.2	
Florida	4.7	2.2	46.8	1.6	72.7	1,518.9	17.8	1,462.9	
Georgia	49.7	26.0	52.3	13.8	53.1	5,955.3	121.5	4,798.9	.3
Louisiana	13.9	7.6	54.7	4.0	52.6	1,470.3	44.7	1,334.9	
Mississippi	45.8	33.8	73.8	16.7	49.4	3,563.3	188.9	3,358.5	
North Carolina	103.1	43.0	41.7	29.6	68.8	9,694.8	303.3	9,523.4	
South Carolina	30.9	15.2	49.2	9.0	59.2	2,792.5	63.8	2,365.9	
Tennessee	73.0	34.3	47.0	21.3	62.1	7,252.1	211.4	6,093.0	7.9
Southeast	437.1	212.6	48.6	119.9	56.4	38,488.8	1,167.3	34,157.1	8.2
Illinois	19.1	15.1	79.1	8.4	55.6	47,584.4	115.2	34,938.6	170.9
Indiana	19.6	11.5	58.7	5.8	50.4	27,542.4	87.6	21,714.6	225.6
Iowa	67.6	51.5	76.2	24.9	48.3	62,454.7	358.5	45,097.3	8,389.1
Kentucky	33.5	15.9	47.5	8.3	52.2	9,058.2	106.2	7,523.0	
Michigan	0.2	[3]		[3]		11,408.7	0.6	7,382.2	28.4
Missouri	632.8	489.4	77.3	246.4	50.3	31,074.0	2,973.8	23,668.1	3,271.7

Ohio	1.4	0.4	28.6	0.2	50.0	20,171.1	5.5	13,486.9	299.6
Wisconsin	0.2	0.1	50.0	0.1	100.0	13,097.7	0.5	10,219.5	333.0
Midwest	774.4	583.9	75.4	294.1	50.4	222,391.2	3,647.9	164,030.2	12,718.3
Arizona	166.8	105.3	63.1	45.0	42.7	29.7	815.7	665.7	1.5
California	266.4	143.3	53.8	59.6	41.6	755.8	1,203.7	870.2	----
Colorado	794.1	594.4	74.9	241.9	40.7	1,820.8	1,473.8	1,368.1	----
Kansas	5,633.3	3,975.4	70.6	1,712.1	43.1	8,682.7	15,933.4	12,601.6	13.4
Nevada	----	(3)	----	(3)	----	1.2	0.2	----	----
New Mexico	382.6	302.7	79.1	118.6	39.2	147.4	1,228.8	1,051.7	0.3
Oklahoma	1,447.5	870.5	60.1	462.1	53.1	819.6	3,422.3	2,312.7	----
Texas	8,772.4	6,908.2	78.7	2,956.8	42.8	3,709.6	32,364.0	24,830.9	----
Utah	0.4	0.3	75.0	0.3	100.0	105.9	2.7	45.6	----
Southwest	17,463.5	12,900.1	73.9	5,596.4	43.4	16,072.7	56,444.6	43,746.5	15.2
Idaho	0.1	0.2	200.0	0.1	50.0	262.2	1.6	206.7	----
Minnesota	5.2	3.5	67.3	1.2	34.3	27,243.4	11.8	22,504.5	501.8
Montana	0.1	----	----	----	----	254.2	----	133.9	3.5
Nebraska	1,928.8	1,656.2	85.9	627.9	37.9	26,952.7	8,025.0	28,027.3	564.5
North Dakota	13.5	1.0	7.4	0.7	70.0	2,488.4	2.6	1,174.0	3.6
Oregon	0.4	0.3	75.0	0.1	33.3	398.7	1.7	252.3	----
South Dakota	253.9	134.7	53.1	60.0	44.5	7,006.7	512.2	5,155.9	58.0
Washington	4.7	4.4	93.6	2.8	63.6	680.4	53.1	648.8	----
Wyoming	5.5	0.9	16.4	0.6	66.7	192.8	4.1	149.8	1.2
Northwest	2,212.2	1,801.2	81.4	693.4	38.5	65,479.5	8,612.1	58,253.2	1,132.6
United States	20,920.8	15,506.9	74.1	6,709.4	43.3	356,944.4	69,938.7	310,170.8	13,876.6

[1] 1959–60 average acreage of field corn planted for all purposes plus the acreage of sweet corn utilized as silage adjusted, where necessary, for abnormal factors affecting plantings.

[2] 1959–60 average acreage of grain sorghums or dual purposes varieties planted for harvest as grain, silage or fodder adjusted, where necessary, for abnormal factors affecting plantings.

[3] Less than 50.

Source: Grain Division, ASCS Agriculture, Washington, Apr. 26, 1962.

TABLE 13.—*Barley: Progress report on signup of 1962 feed grain program through Apr. 16, 1962*

State	Number of farms			Total base acres on all farms [1] (thousands)	Base acres on farms signed up [1] (thousands)	Percent of total base (5÷4)	Intended diverted acres on farms signed up (thousands)	Percent diverted (7÷5)	Total value of permissible advance payments (thousands)	Value of sight drafts issued to date (thousands)	Value of certificates issued for feed grain (thousands)	Malting barley exemptions requested	
	Estimated total	Signed up	Percent signed up									Number of farms	Total base acres established for such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Connecticut													
Delaware	975	111	11.4	14.5	2.7	18.6	1.8	66.7	18.3	3.4			
Maine													
Maryland	7,002	434	6.2	89.2	9.2	10.3	5.8	63.0	57.9	27.9			
Massachusetts													
New Hampshire													
New Jersey	1,922	252	13.1	26.6	5.1	19.2	3.6	70.6	65.4	16.7			
New York	3,239	1,095	33.8	23.6	9.3	39.4	8.0	86.0	68.1	49.8	0.7		
Pennsylvania	22,630	1,214	5.4	170.6	11.3	6.6	9.0	79.6	87.2	66.0			
Rhode Island													
Vermont	72												
Virginia	13,285	2,725	20.5	119.1	34.3	28.8	26.0	75.8	253.3	125.9			
West Virginia	976	47	4.8	11.3	0.5	4.4	0.5	100.0	4.8				
Northeast	50,101	5,878	15.1	454.9	72.4	15.9	54.7	75.6	555.0	289.7	.7		
Alabama	218	33	15.1	3.7	.7	18.9	0.5	71.4	3.7	2.7			
Arkansas	845	156	18.5	17.4	6.8	39.1	3.8	55.9	31.6	14.6	1.0		
Florida	1												
Georgia	448	179	40.0	9.0	4.3	47.8	2.8	65.1	27.1	17.8	.3		
Louisiana	1	1	100.0		[2]		[2]		[2]	[2]			
Mississippi	96	30	31.2	3.1	1.6	51.6	.8	50.0	6.4	3.0	.3		
North Carolina	10,554	3,117	29.5	62.2	25.5	41.0	20.9	82.0	188.6	167.1			
South Carolina	3,027	1,372	45.3	31.7	24.7	77.9	17.0	68.8	126.5	80.9			
Tennessee	5,313	1,069	20.1	45.5	17.2	87.8	12.7	73.8	83.8	54.6			
Southeast	20,503	5,957	29.1	172.6	80.8	46.8	58.5	72.4	467.7	340.7	1.6		
Illinois	8,216	376	4.6	65.1	4.2	6.5	2.9	69.0	21.6	4.0		2	32
Indiana	7,189	346	4.8	53.3	3.3	6.2	2.6	78.8	18.5	9.6			
Iowa	1,421	108	7.6	17.6	1.7	9.7	1.1	64.7	9.0	5.7	1.1	1	65
Kentucky	7,219	1,072	14.8	85.2	18.4	21.6	13.1	71.2	104.4	37.3			
Michigan	10,097	1,424	14.1	69.2	12.3	17.8	10.5	85.4	83.6	44.8		3	147
Missouri	17,712	2,896	16.4	197.8	59.8	30.2	38.3	64.0	248.1	133.1	.7		

Ohio	7,313	448	6.1	59.2	3.7	6.2	3.1	83.8	26.6	12.1	.1	----------	----------
Wisconsin	2,504	197	7.9	24.4	2.0	8.2	1.7	85.0	14.7	9.2	.6	43	1,091
Midwest	61,671	6,867	11.1	571.8	105.4	18.4	73.3	69.5	526.5	255.8	2.5	49	1,335
Arizona	1,646	688	41.8	163.1	103.1	63.2	43.5	42.2	706.4	609.4	.3	----------	----------
California	8,426	3,088	36.6	1,547.9	869.5	56.2	321.8	37.0	3,418.1	2,024.0	----------	239	56,734
Colorado	15,023	4,514	30.0	640.9	287.5	44.9	138.6	48.2	828.4	112.5	----------	31	1,228
Kansas	41,119	13,074	31.8	1,010.9	447.7	44.3	223.4	49.9	1,304.8	291.8	.1	----------	----------
Nevada	379	34	9.0	14.7	1.4	9.5	.9	64.3	7.5	----------	----------	----------	----------
New Mexico	1,328	417	31.4	42.9	20.4	47.6	10.4	51.0	88.5	53.9	----------	----------	----------
Oklahoma	29,327	10,109	34.5	851.0	364.9	42.9	224.9	61.6	1,291.9	220.8	----------	----------	----------
Texas	14,571	6,093	41.8	469.1	304.3	64.9	143.6	47.2	830.7	225.5	----------	----------	----------
Utah	8,564	1,431	16.7	160.1	50.1	31.3	27.0	53.9	255.7	122.1	----------	----------	----------
Southwest	120,383	39,448	32.8	4,900.6	2,448.9	50.0	1,134.1	46.3	8,732.0	3,660.0	.4	270	57,962
Idaho	17,130	3,027	17.7	631.6	252.7	40.0	104.1	41.2	704.0	277.9	----------	370	33,570
Minnesota	21,615	11,315	52.3	959.3	764.2	79.7	115.5	15.1	828.6	570.6	5.4	7,081	531,238
Montana [3]	18,931	6,196	32.7	1,939.3	1,020.6	52.6	170.6	16.7	888.9	193.7	2.3	4,248	827,700
Nebraska	14,505	5,146	35.5	309.2	159.3	51.5	91.2	57.2	526.7	181.7	.8	----------	----------
North Dakota	53,955	24,665	45.7	4,150.3	2,131.2	51.4	949.6	44.6	4,895.3	1,847.9	1.4	16,884	1,592,269
Oregon	10,373	3,252	31.4	531.2	280.7	52.8	104.8	37.3	949.2	489.0	----------	274	24,252
South Dakota	17,306	5,068	29.3	574.5	233.5	40.6	108.8	46.6	623.1	386.0	2.2	2,515	117,079
Washington	8,298	2,642	31.8	723.6	301.7	41.7	118.3	39.2	1,205.7	390.4	.2	619	72,045
Wyoming	3,587	333	9.3	126.5	24.4	19.3	10.1	41.4	62.6	36.5	.2	----------	----------
Northwest	165,700	61,644	37.2	9,945.5	5,168.3	52.0	1,773.0	34.3	10,684.1	4,373.7	12.5	31,991	3,198,153
United states	418,358	119,794	28.6	16,045.4	7,875.8	49.0	3,093.6	39.2	20,965.3	8,919.9	17.7	32,310	3,257,450

[1] 1959–60 average acreage planted to barley for harvest as grain or utilized as silage adjusted, where necessary, for abnormal factors affecting plantings.

[2] Less than 50 acres.

[3] Same as Apr. 12 report.

Per-acre payment rates for diversion would be somewhat smaller than under the 1962 program, and Government payments should total less than $900 million, if the same number of acres are diverted. While Government costs should be less than for the 1962 program, they will be greater than those under the mandatory program proposed by H.R. 11222. Under this legislation, the Secretary of Agriculture indicated that they would be limited to about $500 million.

Substantially higher Government costs would be incurred, however, if no action is taken by the Congress, and the 1958 act becomes effective again. In such case production would exceed requirements and stocks would increase as they did in the 1950's. In only a year or two, the gains of the 1961 and 1962 programs would be wiped out. Consequently, H.R. 12391 is proposed as stopgap legislation for the 1963 crop. It is recognized that a need exists for development of a long-range, supply-management program to insure balancing of production and requirements, reduced costs of farm programs, and the maintenance of farm income.

Dairy Situation and Program

Milk is a basic source of the Nation's food supply. Dairy farming, which is carried out in every State of the Nation and is an important source of farm income, constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk.

The present law—the Agricultural Act of 1949—requires the Secretary of Agriculture to support prices to producers for milk and butterfat at such level between 75 and 90 percent of parity as he "determines necessary in order to assure an adequate supply."

The law has two serious shortcomings. One is that the level which may be established under the adequate supply criterion may not provide a satisfactory income for dairy farmers. The other is that there is no way to avoid excessively high Government expenditures, regardless of whether products acquired can be utilized in the national interest, because the Government is required to support unlimited milk production.

A combination of an increase in milk production and unexpected decrease in consumption resulted in a sharp increase in purchases of dairy products by Commodity Credit Corporation during the 1961–62 marketing year. CCC purchases totaled 435 million pounds of butter, 194 million pounds of cheese, and 1,190 million pounds of nonfat dry milk (delivery basis). This removed from the market about 9 percent of the total milkfat and about 13 percent of the total nonfat milk solids in the milk and cream sold by farmers in the United States.

Although dispositions in the available school lunch, welfare, and other outlets have been stepped up, the Corporation's uncommitted inventories have increased and as of March 31, 1962, were 283 million pounds of butter, 85 million pounds of cheese, and 325 million pounds of nonfat dry milk.

It is estimated that the net cost (acquisition and handling costs less sales receipts) for the 1961–62 marketing year was approximately $600 million, nearly twice the average net cost of the preceding 8 years.

Because of the widened gap between total production and consumption of milk and its products, the Secretary of Agriculture de-

termined that, in the present supply and demand situation and under the "adequate supply" criterion in the Agricultural Act of 1949, the support prices for milk and butterfat will be at 75 percent of parity for the marketing year April 1, 1962–March 31, 1963.

The emergency program will encourage a voluntary downward adjustment in milk supply and will reduce the cost of the support program below the cost that would be incurred without the program because the authorized payment per hundredweight for reducing marketings will be less than the cost of buying an equal quantity of milk (in the form of products) if it were produced and marketed.

Following is a letter from the Secretary of Agriculture estimating a net saving of $54 million under the proposed voluntary reduction plan.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 26, 1962.

Hon. LESTER R. JOHNSON,
Chairman, Dairy and Poultry Subcommittee,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN JOHNSON: This is in response to your request for comments on the dairy provisions contained in H.R. 12266.

The proposed emergency program would authorize the Secretary of Agriculture to make surplus reduction payments to producers voluntarily agreeing to reduce their marketings below the quantity of milk which they marketed during the calendar year 1961. The surplus reduction payments would compensate producers for any loss in income from reducing their milk production but would be less than the cost to CCC of acquiring the surplus dairy products if the milk were produced. Payments would not exceed $2.50 per hundredweight. Price supports would be maintained at 75 percent of parity—the level established for the current marketing year under the existing program.

Under the proposed program, net dairy farm income from producing milk would be approximately the same as under the existing program. The major advantage sought over the present program would be the opportunity to accomplish some surplus reduction and reduce CCC costs while work continues on development of a longer range dairy program. Individual farmers would gain the advantage of being able to maintain their dairy income while reducing their milk production. The following is an illustration of the potential savings in CCC expenditures under the proposed program over the existing program, assuming no slippage in the amount of reduction achieved under agreements.

	Millions
Estimated annual CCC expenditures, at 75 percent of parity under present law	$550
Proposed emergency program, at 75 percent of parity assuming 20 percent of producers reduce their marketings 10 percent below their sales in 1961:	
Reduction in CCC purchase cost	114
Payments to producers, at $2.50 on 2,400,000,000 pounds reduction	60
Net saving	54

This proposal provides that agreements entered into with producers under which they might receive surplus reduction payments, may contain "such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction

payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk." With a payment rate between $2 and $2.50 there would be savings in program costs if half or more of the reduction in production covered by agreements were achieved.

Sincerely yours,

ORVILLE L. FREEMAN.

SECTION-BY-SECTION ANALYSIS

TITLE I—LANDS USE ADJUSTMENT

Section 101

This section amends the Soil Conservation and Domestic Allotment Act to provide for continued Federal administration of the agricultural conservation program and to permit the Secretary of Agriculture to enter into agreements not to exceed 10 years in length with farmers to provide for changes in cropping systems and land use, for development of soil, water, forest, and wildlife resources by means of cost sharing and other assistance. Agreements may not be entered into covering land with respect to which the ownership has changed in the 2-year period preceeding the first year of the contract period except with successors by inheritance or purchasers during the contract period. Agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of 5 years. The committee amendment restricts such agreements to lands regularly used in the production of crops and lands now covered by conservation reserve contracts.

Section 102

The amendments to title III of the Bankhead-Jones Farm Tenant Act include changes in section 31 to provide for the protection of fish and wildlife, but prohibit the building of industrial parks.

Amendments in section 32 authorize the Secretary of Agriculture to cooperate with, and furnish financial or other aid to, Federal, State, and local agencies in carrying out the plans for programs of soil and water conservation, including fish and wildlife protection and land utilization which is authorized by the act. It would not provide any new authorization for land acquisition by the Department of Agriculture.

It does provide that the Secretary can assist local agencies on a project basis to plan and, when they desire, to acquire land for public use such as open space, and soil and water conservation purposes including protection of fish and wildlife.

It would also provide an opportunity for rural renewal development by authorizing the Secretary of Agriculture to help develop plans for improvements and to assist in carrying out such plans by means of loans, and technical and other assistance, to State and local public agencies. These plans could be developed for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and poorly developed community facilities. Their objective would be to create conditions that would make these communities attractive to private investment and individual enterprise.

The amendments to the Watershed Protection and Flood Prevention Act make the following changes in the existing authority of the act, namely:

Section 103

Increases the limitation on floodwater-detention capacity from 5,000 acre-feet to 12,500 acre-feet in any single reservoir structure. This change is needed to permit full utilization of available sites for multiple-purpose development when flood prevention is involved as a purpose. In low and moderate rainfall areas, the drainage area required to yield the water supply needed for other purposes in some cases is too large to be controlled by 5,000 acre-feet of flood-prevention capacity. Limitation on total capacity of 25,000 acre-feet in any single reservoir structure for non-flood-prevention purposes will remain as now stated in the act.

Section 104

Incorporates the language of the Water Supply Act of 1958 (Public Law 85–500), as amended, into the Watershed Protection and Flood Prevention Act, thereby authorizing the Secretary of Agriculture to assist local organizations in developing water supply for future use in watershed projects in the same manner as the Secretary of the Army and the Secretary of the Interior are authorized to assist under the Flood Control and Reclamation Acts.

The Secretary would be authorized to pay up to 30 percent of the total cost of a reservoir structure for the purpose of storing water for future municipal or industrial use if the sponsoring local organization gives reasonable assurance and presents evidence that the water so stored will be used within a period of time that would permit repayment of its cost within the life of the structure. Repayment and interest charges may be deferred for a period of up to 10 years if the water stored for future use is not used during that period. Repayment with interest will begin as soon as the water is first used. Full repayment must be made within the life of the structure but not to exceed 50 years from the time of initial use. Interest will begin to accrue after the 10-year period has elapsed even if the water supply is not used by that time.

Section 105

Deletes certain obsolete language and clarifies the Federal Government's authority to provide engineering services for municipal and industrial water supply on a reimbursable basis.

Section 106

Provides pertinent amendments to section 4 of the act and all subsequent amendments to section 4 of the Watershed Protection and Flood Prevention Act are made specifically applicable to the 11 watersheds authorized by section 13 of the Flood Control Act of 1944. These flood prevention watersheds are—

1. Buffalo Creek, N.Y.
2. Colorado (Middle) River, Tex.
3. Coosa River, Ga.
4. Little Sioux River, Iowa.
5. Little Tallahatchie River, Miss.
6. Los Angeles River, Calif.
7. Potomac River, Md., Pa., Va., and W. Va.

8. Santa Ynez, Calif.
9. Trinity River, Tex.
10. Washita River, Okla. and Tex.
11. Yazoo River, Miss.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Section 201

This section amends title IV of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, authorizing the sale of agricultural surpluses for dollars on the basis of long-term credit and supply contracts.

Amendment to statement of purpose.—Section 401 of the act is amended so as to (1) make it clear that the purposes of title IV include stimulating and increasing the sale of surplus agricultural commodities for dollars through long-term supply contracts and the extension of credit for the purchase of such commodities, and (2) reflect in the statement of purposes the addition of the authority of the Secretary to enter into supply agreements with the private trade.

Under the statement of purposes as presently worded, the emphasis is on the use of surplus agricultural commodities to assist the economic development of friendly nations, and agreements with the private trade are not authorized.

Financial institutions acting in behalf of friendly nations.—Section 402 of the act is amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.

This will permit the President to enter into sales agreements with banking institutions of other countries such as central banks or private institutions acting in behalf of the government and thereby give greater flexibility in negotiating title IV sales agreements.

Sales agreements with private trade.—Section 402 of the act is also amended so as to authorize the Secretary to enter into transactions with foreign and U.S. private trade under the same terms and conditions applicable to government-to-government sales agreements as currently authorized.

Repayment provisions modified.—Section 403 of the act is amended to remove the requirement that repayments for commodities supplied under title IV be in "approximately equal annual amounts" and to substitute in its place the requirement that repayments be in reasonable annual amounts with authority to defer the date for beginning such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year. This amendment will provide greater flexibility to schedule the dollar repayments and fix the amounts of annual repayments in terms of the individual countries financial situation and debt structure. The present requirement for equal annual payments, beginning not later than December 31 of the year following the year in which commodities are delivered, has precluded in a number of instances the use of title IV.

The committee considered an amendment reducing the interest rate stipulated in section 403 but decided that such action is unnecessary since the law now provides that the rate shall be "not more than" that stipulated in the section. It points out to the Secretary his authority to extend credits at less than the maximum interest rate and

would also point out that with storage rates on commodities running from 11 to 17 percent of their value annually, the interest to be charged on credit which will remove these commodities from storage for sale overseas is a matter of secondary consideration. Such extension of credits at less than the maximum rate is particularly applicable to sales under this title to friendly underdeveloped nations which are being extended low interest rates in connection with economic development dollar loans of the Agency for International Development and the Development Loan Fund. The committee recognizes that higher rates would be appropriate in the case of credit sales agreements with the private trade or with governments of more highly industrialized or developed countries.

Participation by other exporting nations.—Section 405 of the act is amended so as to make discretionary rather than mandatory the authority under which other exporting nations are permitted to participate on a proportionate and equitable basis in the supply and assistance program authorized by title IV.

The present language of section 405 of the act directs that the Secretary endeavor to reach agreement with other exporting nations for their participation in the supply and assistance program. Experience indicates that a discretionary rather than a mandatory provision is more appropriate in view of the fact that most other friendly supplying nations generally are either not able or are unwilling to participate in long-term supply and credit programs on the same terms and conditions offered by the United States.

Additional provisions of title I made applicable to title IV.—Section 202 would amend section 406 of the act so as to make certain additional provisions of title I of the act applicable to sales under title IV; namely, that in negotiating sales under title IV the President shall take appropriate steps to assure that private trade channels are used to the maximum extent practicable; and shall give special consideration to utilizing the authority and funds provided for developing markets for agricultural commodities.

These provisions are not presently applicable to sales under title IV of the act.

SCHOOL LUNCH PROGRAMS OVERSEAS

Sections 202, 203, and 204, insert the words "and in nonprofit school lunch programs" after the words "needy persons" in three different statutes: Section 416 of the Agricultural Act of 1949, as amended; section 308 of Public Law 480, 83d Congress; and section 9 of the act of September 6, 1958. Section 205 provides that the commodities may be donated for school lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school lunch programs in the United States. Such programs may not extend beyond June 30, 1964.

The purpose of these amendments is to permit more effective use of food donation authority to encourage the development of oversea school lunch programs. The amendments would authorize donations for general use in school lunch programs without the necessity of determining that all children in the school were from economically needy families. It would require charges to be made for children

who could afford to pay for their lunches on a basis similar to that used in the national school lunch program in the United States.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

Subtitle A of title III extends the 1962 feed grain program with certain amendments to cover the 1963 crop.

Section 301—Price support on feed grains for 1963.—The provisions of this section are the same as for the 1962 crop, except that barley is included with corn and grain sorghums in one feed grain base rather than having a separate program for barley. Price support on the 1963 crop corn will be at such level not less than 65 percent of parity as the Secretary may determine. Price support for corn, grain sorghums, and barley is limited to a quantity not to exceed the normal production as determined for the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage. Section 301 also provides that the Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the 1963 feed grain program to the extent prescribed by the Secretary. It is understood that the extent of participation in each of these programs required as a condition of price support would be 20 percent of the 1959–60 adjusted acreage devoted to corn, grain sorghums, and barley, respectively, subject, of course, to the Secretary's authority under section 304 of the bill to limit participation as a result of an emergency created by drought or other disaster or to prevent or alleviate a shortage in supply.

No producer of malting barley, will be required to participate in the 1963 feed grain program if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.

In determining the maximum quantity of a commodity eligible for price support, the Secretary, as under the price support program for the 1962 crop, would have authority to determine and adjust yields for the 1959 and 1960 crop acreages in the manner provided in section 302 of the bill. The Secretary would have similar authority with respect to determining acreages for 1959 and 1960 for price support purposes. In addition, the language of the bill permitting the Secretary to prescribe the extent to which producers must participate in the 1963 feed grain program in order to be eligible for price support on corn, grain sorghums, and barley vests him with authority to provide price support to producers who did not knowingly violate the requirements for participation prescribed by the Secretary.

Price support for corn for 1964 and thereafter.—Section 301 also amends the law relating to price support for corn (section 105(a) of the Agricultural Act of 1949) beginning with the 1964 crop, if Congress does not take other action in the meantime. As amended by the committee, this section provides that the level of price support for corn, following the expiration of the special feed-grain program for 1963, will be 80 percent of the average price received by farmers for

the immediately preceding 3 calendar years. The law now provides that the level of support will be 90 percent of the 3-year price, or 65 percent of parity, whichever is higher. It is estimated that the amendment made in this bill would result in a support price of about 86 cents per bushel in 1964. There is no authority for acreage allotments or marketing quotas on corn.

Section 302—Special feed grain program for 1963.—Section 302 of the bill amends section 16 of the Soil Conservation and Domestic Allotment Act to provide for a special feed grain program for 1963 under which payments shall be made to producers who divert acreage in 1963 from the production of corn, grain sorghums, and barley, to an approved conservation use, and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices, including summer fallow and idle land, by an equal amount. The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply, subject to the condition that payment for such acreage shall not exceed one-half the regular rate.

Payments in cash or in kind may be made on diverted acreage equivalent to 20 percent of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960, or up to 25 acres, whichever is greater, on an amount of the commodity not in excess of 45 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 percent of such corn, grain sorghums, and barley acreage, in the crop years 1959 and 1960. Such payments shall be made on an amount of the commodity not in excess of 50 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage.

Payments are made at the basic county support rates for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops. The section provides that the Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance.

The bill requires that producers increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops and practices, including summer fallow and idle land, by the number of acres diverted, except where the special crops are grown on the diverted acreage.

The Secretary would make adjustments in yields for the 1959 and 1960 crop years as he determined necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreage and yield figures shall be used in making determinations, subject to adjustment for abnormal weather conditions, crop rotation

practices, and other factors. The authority for the Secretary to determine terms and conditions for the program includes authority to provide for adjusting any payment on account of failure to comply with the terms and conditions for the program. The terms of the bill for the 1963 feed grain program, similar to the program authorized for 1962, do not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses.

Section 303—Payments by Commodity Credit Corporation.—This section of the bill authorizes Commodity Credit Corporation to make payments under the 1963 feed grain program in cash or in kind through the issuance of negotiable certificates which shall be redeemed by Commodity Credit Corporation for feed grains. Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of certificates at such time and in such manner as the Secretary determines best effectuates the purposes of the program. This provision is the same as the one contained in the 1962 feed grain program.

Section 304—Emergency created by drought or other disaster.—This section of the bill authorizes the Secretary to place such limits on the extent that producers may participate in the 1963 feed grain program as he determines necessary because of an emergency created by drought or other disaster or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, and barley. This provision is needed to provide the Secretary with authority to take care of any emergency situations which might arise after the enactment of this legislation. Under this section, the Secretary could impose uniform limitations on the participation of all producers if a general feed grain shortage should develop, or a uniform limitation on all producers within a particular area if a drought or other disaster in such area should make such limitation necessary.

SUBTITLE B—1963 WHEAT PROGRAM

Subtitle B of title 3 extends the 1962 wheat program with certain amendments to cover the 1963 crop.

Section 310 provides for an across-the-board reduction of 10 percent in acreage allotments for both old and new farms from the acreage allotments which would otherwise be determined on the basis of the minimum national allotment of 55 million acres.

The production which may be expected on the basis of yields currently being obtained from a national wheat acreage allotment of 55 million acres will exceed our requirements for domestic use and exports and add to our already burdensome surplus with the accompanying costs to the Government for price support and storage. The 10-percent reduction called for in this section of the bill will have the effect of cutting down the surplus of wheat. The diversion program provided for elsewhere in the bill will alleviate the financial burden such a reduction would otherwise impose on wheat farmers.

Section 311(a)—Method of determining farm marketing excess.—Section 311(a) contains provisions to be applied with respect to the 1963 crop of wheat in lieu of the provisions of item (1) of Public Law 74, 77th Congress, as amended (7 U.S.C. 1340(1)). It provides that the

farm marketing excess, which is the basis on which the penalty is assessed for exceeding the farm quota, shall be initially determined as twice the normal yield of the acreage in excess of the allotment, but would be redetermined on the basis of the actual production if the producer establishes the actual production of wheat on the farm. This is the same provision included in the 1962 program.

Section 311(b)—Penalty rate.—Section 311(b) sets the penalty rate for the 1963 crop at 65 percent of parity.

Section 311(c)—Changes in storage requirements to conform to method of determining farm marketing excess.—Section 311(c) contains provisions to be applied with respect to the 1963 crop of wheat in lieu of item (3) of Public Law 74, 77th Congress, in order to conform the storage and delivery provisions of the law to the method of determing the farm marketing excess provided for in section 311(a).

Section 311(d)—Changes in farm exemption from marketing quotas.—Section 311(d) contains a provision, identical with the 1962 program, reducing the "small farm" exemption for the 1963 crop to the smaller of 13.5 acres or the highest number of acres planted to wheat on the farm for harvest in the years 1959, 1960, or 1961. This section has the effect of applying the 10-percent reduction imposed on allotments to the 15-acre exemption and in addition reduces the maximum exemption to the highest number of acres planted for harvest in any of the last 3 years. It also has the effect of preventing any farm on which wheat was not produced in 1959, 1960, or 1961, from taking advantage of the exemption for the 1962 and 1963 crops.

Approximately two-thirds of the wheat farms in the United States produce 15 acres or less of wheat. With the increased yields now being obtained many of these small farms now produce wheat in commercial quantities and in the aggregate produce a significant part of the supply available for market. It is felt that these small farms should bear a reasonable share in the reduction of acreage for 1963.

Section 311(e)—Eligibility to vote in referendum.—Section 311(e) would amend section 336 of the Agricultural Adjustment Act of 1938, as amended, to provide that, notwithstanding any other provision of section 336, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963. Previous to the 1962 program, eligibility to vote was based on whether the farmer would be subject to the quota being voted upon. A determination of voting eligibility required consideration of the farmer's stated intentions as to the wheat acreage to be planted and often led to controversy and the challenging of ballots. To base voting eligibility on the acreage of wheat which has been produced in prior years, which is a matter of record in county ASC offices, facilitates the conduct of the referendum. This also makes voting eligibility on wheat more in line with that presently provided for with respect to the other quota commodities.

Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, precludes any farmer having a feed wheat exemption for any crop of wheat from voting in the referendum on the next subsequent crop of wheat. This provision is not affected by the amendment in section 311(e).

Section 312—Price support for 1963 crop of wheat.—Section 312 provides that price support for the 1963 crop of wheat shall be made

as provided in section 101 of the Agricultural Act of 1949, with the following changes:

(1) Price support would be made available only to cooperators;

(2) Price support would be made available only in the commercial wheat-producing area; and

(3) To be eligible for price support producers would be required to participate in the diversion program formulated under section 313 to the extent prescribed by the Secretary.

Section 313(a)—Reduction program.—Section 313(a) affords an opportunity to wheat producers in the commercial wheat-producing area to earn payments for reducing their 1963 wheat acreage as was provided in the 1962 program. Producers may divert from the production of wheat an acreage on the farm equal to either (1) 10 percent of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, provided such acreage did not exceed 15 acres, or (2) 10 percent of the farm acreage allotment for the crop of wheat which would be in effect except for the 10-percent reduction thereof as provided in section 334(c)(3) of the Agricultural Act of 1938, as amended. The diverted acreage must be devoted to conservation uses, including summer fallow, approved by the Secretary, except that the Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply, subject to the condition that payment for such acreage shall not exceed one-half the regular rate. In addition, the total acreage on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted under this program and the acreage diverted under the special program for feed grains, must not be less than the total average acreage of land devoted to conservation uses on the farm in 1959 and 1960. Such total average acreage may be adjusted to give effect to abnormal weather conditions and other factors affecting production, established crop-rotation practices, changes in the constitution of the farm, participation in other Federal farm programs, including the provisions of law relating to release and reapportionment and preservation of history. Finally, if the producer diverts under the first category referred to above, the actual acreage of wheat planted on the farm for harvest in 1963 or 1964 must not exceed 90 percent of the highest acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961. If the producer diverts under the second category referred to above, the farm must be in compliance with the farm wheat acreage allotment. This allotment will have been reduced by 10 percent from what it would otherwise have been under the old law.

Section 313(b)—Payments.—Section 313(b) provides than on compliance with the prescribed conditions, the producers on the farm shall be entitled to payments from Commodity Credit Corporation in cash or wheat equal to 45 percent of the value of the number of bushels equal to the adjusted yield per acre for the farm, multiplied by the number of diverted acres. The rate per bushel would be the basic county support rate per bushel for No. 1 wheat for the county in which the farm is considered as being located for administration of farm marketing quotas for wheat in effect at the time the payment rates for each year's program are established. The Secretary would

make adjustments in yields for the 1959 and 1960 crop years as he determined necessary to correct abnormal factors affecting production and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreage and yield figures shall be used in making determinations, subject to adjustment for the factors listed above. The Secretary would provide by regulation for the sharing of payments among producers on the farm on a fair and equitable basis and the medium of payment would be determined by the Secretary. If payments are made in wheat the value of the payment would be determined in cash and then converted into bushels of wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment in kind could be marketed without penalty but would not be eligible for price support.

Section 313(c)—Additional reductions and payments.—Section 313(c) provides that in addition to the acreage diverted under section 313(a) producers may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under section 313(a) or such acreage as will bring the total acreage diverted to 10 acres, but subject to the condition that the total acreage diverted under section 313(a) and section 313(c) could not exceed the larger of (1) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, not to exceed 10 acres, or (2) the farm wheat acreage allotment. Payment under section 313(c) would be made in accordance with the terms and conditions of section 313(a), except that the rate of payment would be 50 percent instead of 45 percent and the additional diverted acreage would be taken into consideration in determining compliance. Section 313(c) provides that if the diversion is made under the first category referred to in section 313(a), the actual acreage planted to wheat for harvest on the farm shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total number of acres diverted under the program. Section 313(c) provides that if the diversion is made under the second category referred to in section 313(a), the wheat acreage on the farm shall be reduced by the total amount of acres diverted under the program below the larger of (1) the farm acreage allotment which would be in effect except for the reduction provided by section 313(b) or (2) the highest actual acreage of wheat planted on the farm for harvest in 1959, 1960, or 1961, but not to exceed 15 acres.

Section 313(d)—Double payments precluded.—Section 313(d) provides that acreage diverted from the production of wheat under the program formulated under section 313 must be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that this would not preclude cost-sharing payments under the ACP or the Great Plains program for conservation practices carried out on the diverted acres.

Section 313(e)—Adjustment of payments.—Section 313(e) provides that the Secretary may adjust any payment on account of failure to comply with the terms and conditions of the program. Thus, if a violation occurred, a forfeiture of the entire payment would not necessarily be required, but the payment could be adjusted to take into account the nature and extent of the violation.

Section 313(f)—Advance payments.—Section 313(f) provides that 50 percent of the payment may be made in advance of determination of performance.

Section 313(g)—Additional terms and conditions.—Section 313(g) authorizes the Secretary to include additional terms and conditions in addition to those specifically provided for which he determines are desirable to effect the purposes of section 313.

Section 313(h)—Diverted acreage and release from storage.—Previous to the 1962 program, wheat stored to avoid or postpone a marketing quota penalty could be released from storage in future years on account of underplanting or underproduction. In order to prevent the double benefit of release from storage and payment, section 313(h) provides that acreage diverted from the allotment shall not form the basis for release from storage for underplanting and that in determining production for release from storage for underproduction the normal yield of the acres diverted from the allotment shall be taken into account as actual production.

Section 313(i)—Regulations.—Section 313(i) authorizes the Secretary to promulgate needed regulations.

Section 313(j)—CCC funds.—Section 313(j) authorizes Commodity Credit Corporation to utilize its capital funds and other assets for the purpose of making payments authorized under section 313 and to pay administrative expenses necessary in carrying out the provisions of the section during the period ending June 30, 1963. It also contains an authorization for appropriations as may be necessary thereafter to pay administrative expenses.

Sections 313 (k) and (l)—Durum wheat.—Sections 313 (k) and (l) make changes in section 334(e) of the Agricultural Adjustment Act of 1938 (which relates to increased durum wheat acreage allotments) and section 334(i) of the Agricultural Adjustment Act of 1938 (which relates to acreage allotments in the Tulelake area) to conform those provisions to the 1963 wheat program provided for by section 313.

SUBTITLE C—DAIRY

Section 320 authorizes the Secretary, through the Commodity Credit Corporation, to institute an emergency dairy surplus reduction payment program for the period ending June 30, 1963, in order to afford producers means by which they can, on a compensated basis, voluntarily reduce their marketings of milk during such period.

Section 321 authorizes Commodity Credit Corporation to make surplus reduction payments to dairy producers who agree to reduce their marketing levels within a stated range below their normal marketing levels. Agreements are to be limited so as not to effect overall reductions in any district in excess of 10 percent of the total marketings of all producers in such district during the preceding marketing year. Payments shall not exceed (i) $2.50 per hundredweight of milk, (ii) such rates as will effectuate voluntary reductions in the marketings, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement will be eligible for payment on the quantity he actually reduces his marketings; provided that such reduction is as much as 10 percent of his normal marketing level. However, the rate of payment will be

reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

Section 322 authorizes the Secretary to establish a normal marketing level for each producer who desires to participate in the program. The normal marketing level shall be the number of pounds of milk or other units of dairy products which is the lower of (i) the producer's marketings during 1961, or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer, based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variations. The Secretary is authorized to adjust such normal marketing level for abnormal conditions affecting production or marketing.

Section 323 authorizes the Secretary to prescribe conversion factors for use in determining the quantity of milk marketed by producers who market their milk in a form other than as whole milk.

Section 324 provides that the quantity of milk reduced shall be deemed to have been produced and marketed for purposes of protecting the producer's production or marketing history under any farm program in which such history may become a factor.

Section 325 authorizes the Secretary to prescribe rules and regulations and authorizes costs incurred in carrying out the program to be borne by the Commodity Credit Corporation as nonadministrative expenses of the Corporation.

Section 326 authorizes orders under the Agricultural Marketing Agreement Act of 1937 to contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Such adjustment of prices would be on a basis which treats the producer's reduction in marketings as being from the lowest class of milk under the order.

Section 327 provides that no person engaged in the purchase or handling of milk shall discriminate against a producer who enters into a reduction agreement with Commodity Credit Corporation and directs Commodity Credit Corporation not to purchase dairy products from any person determined by the Secretary to practice such discrimination. U.S. district courts are given jurisdiction to hear controversies under this section without reference to amounts involved and to restrain any person from discriminating.

Section 328 is a new provision requiring, for purposes of price support, certification that milk or butterfat from which supported products are manufactured was acquired from producers at not less than the support price.

TITLE IV—GENERAL PROVISIONS

Section 401

Section 401 amends the Consolidated Farmers Home Administration Act of 1961 by—

(1) including recreational uses and facilities along with the conservation, development, and utilization of land and water as purposes for which loans may be made or insured by the Secretary for farmowners under section 304 of existing law to persons eligible under section 302;

(2) including shifts in land use and the development of recreational facilities and sewer systems among the purposes for which planning and other financial assistance may be made to local

public and quasi-public nonprofit groups among the purposes for which assistance may be given to such organizations under section 306(a) of the act;

(3) increasing the aggregate amount of loans to be sold and insured under section 309(f)(1) of the act which the Secretary may make out of the agricultural credit insurance fund and have undisposed of at any one time from $10 million to $25 million. The purpose of this change is to accommodate the increased demand of large investors for the assembly of substantial blocks of such loans for purchase from time to time; and

(4) adding to the purpose for which short-term farm operating loans can be made under section 312 of the act funds for recreational uses and facilities on farms.

Section 402

Section 402 contains the usual severability clause applicable to all provisions of the act and preserving the validity of the remaining provisions should any particular provision be held invalid or unconstitutional.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * * * *

Sec. 7. * * *

[(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

[(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

[(d) No such plan shall be approved unless by its terms:

[(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

[(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

[(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance

with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

[(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

[(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

[(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

[(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment of the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

[(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however*, That any such apportionment of funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approval plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.]

SEC. 8. [(a) In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this

section during the period prior to January 1, 1963, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1962, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1963. During the period prior to January 1, 1963, the Secretary shall carry out the purposes specified in section 7(a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.]

(b) [Subject to the limitations provided in subsection (a) of this section, the] *The* Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 7(a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land; (3) their equitable share, as determined by the Secretary, of the normal national production of any commodity or commodities required for domestic consumption; or (4) their equitable share, as determined by the Secretary, of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7(a); or (5) any combination of the above. Clauses (1) and (2) above shall be construed to cover water conservation and the beneficial use of water on individual farms, including measures to prevent runoff, the building of check dams and ponds, and providing facilities for applying water to the land. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section in the States of the Union, except Alaska, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided. The Secretary shall designate local administrative areas as units for administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who

are farmers in the county. The local committee shall elect a secretary and may utilize the county agricultural extension agent for such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committees hereinbefore specified. The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary—shall, as far as practicable, protect the interests of tenants and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right of interest therein; shall, in every practicable manner, protect the interests of small producers; and shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services, to agricultural producers under this subsection, the Secretary may make payments in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services, furnished to producers, or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers, of soil-building or soil-conserving practices approved by the Secretary. The price at which purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materials or any soil-

terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in programs under this Act; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of all expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

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SEC. 16. * * *

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(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: Provided, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: Provided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection.

* * * * * * *

(g) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: Provided, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due

consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT, AS AMENDED

* * * * * * *

SEC. 2. For the purposes of this Act, the following terms shall mean:

The "Secretary"—The Secretary of Agriculture of the United States.

"Works of improvement"—any undertaking for—

(1) flood prevention (including structural and land-treatment measures) or

(2) the conservation, development, utilization, and disposal of water in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than [five thousand] *twelve thousand five hundred* acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of $250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: *Provided*, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appro-

priate committees shall be the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"Local organization"—any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under State law to carry out, maintain and operate the works of improvement; or any irrigation or reservoir company, water users' association, or similar organization having such authority and not being operated for profit that may be approved by the Secretary.

* * * * * * *

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire, or with respect to interests in land to be acquired by condemnation provide assurances satisfactory to the Secretary that they will acquire, without cost to the Federal Government, such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act[;]: *Provided, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: Provided further, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: And provided further, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands*

shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8;

(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

(4) acquire, or provide assurance that landowners or water users have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement;

(5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance; and

(6) submit a plan of repayment satisfactory to the Secretary for any loan or advancement made under the provisions of section 8.

SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization [with such assistance as it may request from the Secretary, which assistance the Secretary is hereby authorized to give, shall] *may* secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, [and in order to properly carry out such services in such projects as to such structures therein providing for municipal or industrial water supplies, the local organization shall, and in such projects not providing for municipal or industrial water supplies, the local organization may, retain or employ] *by retaining or employing* a professional engineer or engineers satisfactory to the Secretary [, and the Secretary shall reimburse the local organization for the cost it may incur for the services of such engineer or engineers as is properly chargeable to such works of improvement, except that if the local organization decides not to retain or employ a professional engineer or if the Secretary determines that competent engineering services are not available he may contract for a competent engineer to provide such services or arrange for employees of the Federal Government] *or may request the Secretary* to provide such services: *Provided, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local*

organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: Provided further, That [at the request of the local organization which retains or employs a professional engineer or engineers as aforesaid,] the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated [total] *installation* cost of such works. [: *Provided further,* That,]

(*2*) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure [unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: *Provided,* That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of the Act: *Provided further,* That].

(*3*) Whenever the estimated Federal contribution to the construction cost of works of improvement in *the plan for* any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President [: *Provided further,* That].

(*4*) Any [such] plan *for works of improvement* involving an estimated Federal contribution to construction costs in excess of $250,000 or [containing] *including* any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary [of Agriculture] prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary [of Agriculture] to the Congress through the President [: *Provided Further,* That,].

(*5*) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

* * * * * * *

SEC. 7. The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture

to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: *Provided,* That (a) the authority of that Department of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by the Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be affected by the provisions of this section: *Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act *or any amendments hereafter made thereto.*

BANKHEAD-JONES FARM TENANT ACT

TITLE III—RETIREMENT OF SUBMARGINAL LAND

SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, *protecting fish and wildlife,* mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare, *but not to build industrial parks or establish private industrial or commercial enterprises.*

SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in the options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however,* That an exchange may be made

with private owners and with subdivisions or agencies of State governments in any case where the Secretary of Agriculture finds that such exchange would not conflict with the purposes of the Act, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(*e*) To cooperate with, *enter agreements with, or to furnish financial or other aid to, any* Federal, State, territorial, [and other public agencies] *or any other agency, governmental or otherwise,* in developing *and carrying out* plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively[,] the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of said sections. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U.S.C., 1934 ed., title 18, sec. 104).

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * * * *

SEC. 308. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized—

(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States;

(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will tend to maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section

416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad.

* * * * * * *

SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use. *It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.*

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations *including financial institutions acting in behalf of such nations* under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made. *In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title.*

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in [approximately equal] *reasonable* annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement *except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,* and interest shall be computed from the date of such last delivery.

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SEC. 405. [In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.] *In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.*

SEC. 406. In carrying out this title, the provisions of sections *101 (b) and (c)*, 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.

AGRICULTURAL ACT OF 1949, AS AMENDED

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SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at [90] *80* per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such years [: *Provided*, That the level of price support for any crop of corn shall be not less than 65 per centum of the parity price therefor].

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

(c) Notwithstanding any other provision of law—

(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(2) The Secretary shall require, as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate, that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.

(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain, sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to

barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided,* That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided further,* That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1962 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1961 which is diverted from the production of wheat under the special 1962 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: Provided, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.

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SEC. 416. In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in

normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.

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ACT OF SEPTEMBER 6, 1958

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SEC. 9. Notwithstanding any other provision of law (1) those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for

distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431); and (2) the Commodity Credit Corporation is authorized to purchase products of oil seeds, and edible oils and fats and the products thereof in such form as may be needed for donation abroad as provided in the following sentence. Any such commodities or products if purchased shall be donated to nonprofit voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States. Commodity Credit Corporation may incur such additional costs with respect to such oil as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949.

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AGRICULTURAL ADJUSTMENT ACT OF 1938

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SEC. 334.

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(c)(*1*) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided,* That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establish-

ing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

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(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum.

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PUBLIC LAW 74, 77TH CONGRESS

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.

The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.

(NOTE.—In lieu of the above provisions, the following provisions will be effective for the 1963 crop of wheat:)

(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per

acre for the entire 1962 wheat acreage on the farm: Provided, however, That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment.

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(NOTE.—In lieu of the above provision, the following provision will be effective for the 1963 crop of wheat:)

Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of the calendar year in which such crop is harvested.

(3) The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(NOTE.—In lieu of the above provisions, the following provisions will be effective for the 1963 crop of wheat:)

(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be

stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade or commerce.

* * * * * * *

(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1962 *and 1963 crops* of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.

AGRICULTURAL ACT OF 1961

* * * * * * *

TITLE III—AGRICULTURAL CREDIT

SEC. 301. (a) This title may be cited as the "Consolidated Farmers Home Administration Act of 1961".

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SUBTITLE A—REAL ESTATE LOANS

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SEC. 304. Loans may also be made or insured under the subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only of land and water development, use and conservation *including, subject to all the provisions of section 302, recreational uses and facilities.*

* * * * * * *

SEC. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, *shifts in land use including the development of recreational facilities,* the conservation, development, use, and control of water and the installation or improvement or drainage facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed $500,000 in the case of direct loans and $1,000,000 in the case of insured loans at any one time.

* * * * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such term and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not dis-

posed of shall not exceed [$10,000,000] *$25,000,000* at any one time.

* * * * * * *

SUBTITLE B—OPERATING LOANS

* * * * * * *

SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation *including recreational uses and facilities*, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

VIEWS OF HON. CLIFFORD McINTIRE AND HON. PAUL FINDLEY

This bill extends the temporary feed grain program for the 1963 crop. We have not supported this program in the past because it gives the Secretary of Agriculture broad authority to influence the open market prices. Under this program he has the right to sell into the domestic market at his discretion in regard to price. This is authority that we think is unwise and unsound for open market operations. The action of the Secretary in using section 22 of the Interstate Commerce Act in a manner favorable to one area is a glaring example of administrative action under this program that we feel is unwise.

The dairy provisions of this bill we believe are designed to provide the preliminary steps for later proposals for legislation for production controls in the dairy industry. The data and the administrative machinery established under this bill will certainly be the basis for these subsequent controls.

There is also a great question as to the effectiveness of the dairy provisions in actually reducing the milk surplus. Since noncomplying dairy farmers will continue to be eligible for price support, the effect of voluntary cutbacks will be greatly offset by expanded production of these noncompliers. Even the Department of Agriculture recognizes this serious "slippage" problem in basing its cost estimates on the tenuous assumption of no "slippage" occurring.

We feel that this legislative action of the 86th Congress in Public Law 86–799 which increased the level of supports at a time when the dairy program was attaining reasonable balance was an unwise decision. In our opinion the further increase of dairy price supports by the Secretary in March of 1961 has proven to be most serious for the dairy industry. We would point out that in fiscal year 1960 the dairy support program cost $136,052,018. As of January 1, 1961, the Commodity Credit Corporation inventory contained no butter and no cheese and 191 million pounds of nonfat dry milk.

The cost of the dairy program in fiscal year 1962 was estimated by the President in this year's message on agriculture at $500 million. As of June 30, 1962, the Commodity Credit Corporation inventory contained 380.4 million pounds of butter, 93.8 million pounds of cheese, and 475.4 million pounds of nonfat dry milk. In our opinion the dairy provisions of H.R. 12391 do not represent sound steps for relieving this serious surplus problem or for assisting the dairy industry.

CLIFFORD G. McINTIRE.
PAUL FINDLEY.

○

Union Calendar No. 823

87TH CONGRESS
2D SESSION

H. R. 12391

[Report No. 1976]

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JULY 12, 1962

Reported with amendments, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them *and regularly used in the production of crops (in-*

cluding crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Pro-*

vided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build

industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended by amending subsection (e) thereof to read as follows:

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such

works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constucted or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further*, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further*, That the entire amount of the cost paid by the Secretary for such water supply storage for

anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connec-

tion with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan

and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and

related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private

trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows:

"In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-

lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 Feed Grain Program

Sec. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure ~~"65"~~ *"90"* and inserting ~~"50"~~ *"80"* and by *striking out the colon and the proviso thereof and by* adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided,* That no producer of malting barley shall be required to participate in such special agricultural

conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to desig-

nated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on

the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield

per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105 (c) (6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g) (1), barley shall not be included in the program for

a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains

and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each

old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production

of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however*, That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual pro-

duction shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller

of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for

the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted

acreage, subject to the provisions of subsection (b) (4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959,

1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments

in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be

at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a) : *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a),

and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation pro-

gram or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c)(2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special

wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

Sec. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

Sec. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree

to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as

much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establish-

ing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a

factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price

there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without

regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306 (a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309 (f) (1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Union Calendar No. 823

87TH CONGRESS
2D SESSION

H. R. 12391

[Report No. 1976]

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

JULY 2, 1962

Referred to the Committee on Agriculture

JULY 12, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

July 13, 1962

16. FARM PROGRAM. Attached to this Digest is a committee summary of the differences between the revised farm bill, H. R. 12391, and the previous version as recommitted to the committee.

The Daily Digest states that the Rules Committee "granted an open rule, with 2 hours of debate, waiving points of order as they pertain to P. L. 480, on H. R. 12391, the general farm bill," p. D586

17. FOREIGN TRADE. Rep. Moore inserted an article, "European Questions J. F. K's Trade Motives." p. 12588

18. LEGISLATIVE PROGRAM. Rep. Arends announced that today, July 16th, the House will consider the rule providing for House agreement to Senate amendments to H. R. 8050, regarding allocations of sugar quotas; and that on Thurs., July 19th, the House will consider H. R. 12391, the farm bill. pp. 12578-9

19. ADJOURNED until Mon., July 16. p. 12599

ITEMS IN APPENDIX

20. TRANSPORTATION. Extension of remarks of Rep. Harris inserting an address discussing the government's role in transportation. pp. A5349-50

21. FOREIGN TRADE. Extension of remarks of Sen. Cotton inserting a report by Sen. Murphy criticizing the proposed Trade Expansion Act of 1962. p. A5352

Extension of remarks of Rep. Derounian inserting an article describing the Common Market's attitude toward the proposed Trade Expansion Act of 1962. A5370

22. FOREIGN AID. Extension of remarks of Rep. Younger explaining why he does not favor the Foreign Assistance Act of 1962, p. A5360

23. QUALITY STABILIZATION. Extension of remarks of Rep. Tollefson inserting an address supporting the quality stabilization bill. pp. A5383-4

24. CONTRACTS. Extension of remarks of Rep. Wilson inserting a series of articles describing corruption in the award of government contracts and supporting legislation to enforce competitive bidding. pp. A5378-80

25. ELECTRIFICATION. Various Congressmen inserted extensions of remarks opposing and favoring the Hanford project and otherwise discussing electrical power in the Northwest. pp. A5346, A5357-B, A5369, A5372-4, A5376, A5381, A5382, A5391.

BILLS INTRODUCED

26. RECREATION. H. R. 12528, by Rep. Kyl, to provide for the planning, authorization, and establishment of regional parks, monuments, historical parks, and seashores, recreational areas; to Interior and Insular Affairs Committee.

27. ANIMAL FEED. S. 3542 by Sen. Humphrey, to amend the Federal Food, Drug and Cosmetic Act with respect to feed for animals; to Labor and Public Welfare Committee. Remarks of author p. 12602

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COMMITTEE HEARINGS JULY 16:

Watershed conservation, H. Agriculture (SCS and FS representatives to be present to answer questions).

Additional units of life insurance for Federal employees, H. Post Office and Civil Service.

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EXCERPT FROM HOUSE COMMITTEE REPORT ON H. R. 12391, REVISED FARM BILL:

"Title I---CONSERVATION

Title I of the bill is the same as title I of H. R. 11222 except that (1) all reference to recreation has been eliminated from the title (including section 103 of H. R. 11222 which authorized the Department of Agriculture to cooperate with local agencies in developing recreational areas in connection with upstream watershed projects). (2) The following amendments to section 101, adopted by the House when H. R. 11222 was under consideration, have been included: (a) Programs under section 101(e) have been limited to 10 years; (b) payments with respect to the establishment of tree cover under such programs have been limited to 5 years; and (c) the land must have been in the same ownership at least 2 years before an agreement can be entered into under this subsection. (3) An amendment to section 102, ruling out diversion of farmland to industrial parks or private industrial or commercial development, has been included. The committee amendment to section 101(e) limits programs thereunder to lands regularly used in the production of crop

Title II---PUBLIC LAW 480

This title is the same as it appeared in H. R. 11222 except that---

(a) Section 201 of the previous bill, which authorized CCC to purchase for oversea donation surplus commodities not in its own inventory, has been eliminated.

(b) A sentence has been added at the end of section 205 to provide that school lunch programs inaugurated under the authority of sections 202, 203, and 204 shall not extend beyond June 30, 1964.

Title III---COMMODITY PROGRAMS

This part of the bill was title IV in H. R. 11222. The provisions of title III of H. R. 11222 (making a change in the Marketing Agreements Act of 1937 with respect to potatoes) was struck out on the floor and has been omitted from this bill.

This title now contains with certain modifications (1) a 1-year extension of the 1962 feed grain program, (2) a 1-year extension of the 1962 wheat program, and (3) the dairy program contained in H. R. 11222.

Feed grains

This bill would continue the 1962 feed grain program for the crop year 1963 with the following modifications:

(a) The separate programs for corn and grain sorghums and for barley are combined into one program embracing all three commodities. The programs were set up separately for 1962 only because, at the time the legislation was passed, fall barley was already being seeded and the committee felt that it would be unfair to include barley in a single program along with the spring-planted crops corn and grain sorghum. Since that situation will not exist with respect to 1963, the committee has combined the three feed grains into a single program and producers will have their option as to which of the three grains are planted on their feed grain acreage. The exemptions provided for malting barley are continued for 1963.

(b) The total amount of feed grain acreage which may be retired has been increased to 50 percent. Twenty percent of such acreage must be retired in order to qualify the producer for price supports on the three feed grains and an additional 30 percent may be retired, at the producer's option, instead of the additional 20 percent in the 1962 program.

(c) In view of the increased acreage retirement authorized, payments for retired acreage have been established at 45 percent of the normal yield at current support prices for the first 20-percent acreage retirement and 50 percent of the nor-

mal yield for the additional acreage retired. Comparable rates of payment in the 1962 program are 50 and 60 percent.

(d) A provision is included with respect to computing normal yield on farms which have installed irrigation since the base period (1959--60). (This also applies to wheat.)

(e) Table vegetables are eliminated from those crops which may be designated by the Secretary for production on diverted acreage. (This also applies to wheat.)

Support price for corn

The committee amendment to section 301 of the bill changes the level of support for corn under the basic statute (sec. 105(a) of the Agricultural Act of 1949) from 90 percent of the 3-year average of prices received by farmers, with a floor of 65 percent of parity, to 80 percent of the 3-year average, with no fixed floor. This would not affect support prices under the 1962 or 1963 programs but would come into effect beginning in 1964, if no further action were taken by the Congress in the meantime.

Wheat

The 1962 wheat program is extended to 1963 with only the following major changes:

(a) The total acreage which may be retired is increased from 40 to 50 percent of the wheat acreage allotment. The required reduction of 10 percent is retained but the additional acreage which may be retired at the producer's option is increased from 30 to 40 percent.

(b) In view of this increase in the allowable retirement, the rate of payment for the acreage voluntarily retired is reduced from 60 percent of the normal yield multiplied by the current support rate to 50 percent of the normal yield. The rate of payment for the first 10 percent of the acreage retired is retained at 45 percent of the normal yield.

(c) See paragraphs (d) and (e) under "Feed Grains."

Dairy program

The bill retains the dairy program contained in H. R. 11222 with the following changes:

(a) The period of time for operation of the program is from October 1, 1962, to June 30, 1963. In H. R. 11222 the program would have extended from the time of enactment of the bill until March 31, 1963.

(b) The provision which would have authorized a producer to transfer his milk production base to another producer has been eliminated.

Purchase of dairy products

The bill contains a new provision (sec. 328) requiring that whenever price-support operations for dairy products are carried out by loans on or purchase of the products of milk or butterfat, the Secretary shall require certification that the milk or butterfat from which the product was made was acquired from producers at not less than the support price.

Title IV---GENERAL PROVISION

The provisions of this title are the same as the provisions of title V of H.R. 11222, except that the authority for the Farmers Home Administration to make loans to local organizations for the development of rural sewer systems has been eliminated."

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of July 18, 1962
87th-2d, No. 122

CONTENTS

Appropriations.....2,23
Appropriations procedures.....5
CCC loans.....16
Claims.....7,17
Committee assignments..11
Drought relief.....3
Electrification.....21
Extension work.....29
Farm program.....12,22
Food for peace.....4
Foreign aid.....8,18,20
Foreign trade.....28
Forest development roads.....13
Forest highways.....13
Forest products.....27
Grain.....16
Household effects.....9
Imports.....9
Libraries.....19
Livestock.....24
Lumber.....9
Manpower.....2
Nomination.....6
Personal effects.....9
Personnel.....10
Pesticides.....26
Price supports.....16
Prices.....25
Public assistance.....15
Reclamation.....14
Research.....31
Retirement.....10
Rice.....1
Roads.....13
Social security.....15
Science and technology...6
Wheat.....30

HIGHLIGHTS: Senate passed rice enrichment bill. House passed road authorization bill. House Rules Committee cleared new farm bill. Sen. Morse and Rep. Dent urged aid for lumber industry. Sens. Javits and Keating urged drought relief for N. Y. Sen. Humphrey commended McGovern on food-for-peace program. Appropriations committee agreed on temporary procedures. Rep. Beckworth inserted replies to his request for CCC loan information. Rep. Van Zandt inserted article commending defeat of farm bill.

SENATE

1. RICE. Passed as reported S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the school lunch program. pp. 13019-20

2. LABOR-HEW APPROPRIATION BILL. Began debate on this bill, H. R. 10904, agreeing to a Mansfield amendment to increase from $50 million to $75 million the item for manpower development and training. pp. 12987, 12990-020, 13023-6

3. DROUGHT RELIEF. Sens. Javits and Keating urged prompt USDA approval of Gov. Rockefeller's request for drought relief in N. Y. pp. 12957, 12960

4. FOOD FOR PEACE. Sen. Humphrey commended the work of George McGovern as director of the food for peace program and inserted Mr. McGovern's address before the World Food Forum. pp. 12987-90

5. APPROPRIATIONS PROCEDURES. The Daily Digest states that the joint House-Senate committee studying appropriations procedures adopted the following:

"Each branch of Congress in conference has group autonomy. The selection of the conference chairman is procedural for orderly functioning of the conference. Realizing this, the question of the selection of the conference chairman for the present session of Congress shall be left to the decision of the two subcommittee chairmen.

"It is agreed by the joint committee on behalf of the full Committees on Appropriations of the Senate and House of Representatives that for this session only the subcommittee chairmen of each body shall decide who shall act as chairman of the conference. It is further agreed that the chairmen of the Senate and House Committees on Appropriations appoint representatives of each committee to serve as a joint committee to study all the issues involved and report in January 1963 their recommendations."

6. NOMINATION. Confirmed the nomination of Jerome B. Wiesner to be Director of the Office of Science and Technology. p. 12953

7. CLAIMS. Received a USDA report on tort claims paid during the fiscal year 1962. p. 12954

8. FOREIGN AID. Sen. Wiley replaced Sen. Capehart as a conferee on S. 2996, the foreign-aid authorizations bill. pp. 12954-5

9. IMPORTS. Sen. Morse urged relief from Canadian lumber imports into the U. S. and inserted his testimony before the Commerce Committee on this matter. pp. 12958-60

Passed with amendments H. R. 12180, to extend until July 1, 1964, the law relating to free importation of personal and household effects brought into the U. S. under Government orders. pp. 12982-3

10. RETIREMENT. The Retirement Subcommittee of the Post Office and Civil Service Committee approved with amendments S. 3164, to increase the maximum age for receiving benefits under the Civil Service Retirement Act in the case of certain students, and S. 2937, to increase civil service retirement annuities. p. D602

11. COMMITTEE ASSIGNMENTS. Transfers between committees were made as follows: Sen. Case, N. J., from Commerce to Armed Services. Sen. Prouty from Public Works to Commerce. Sen. Murphy from Interior and Insular Affairs to Public Works. Sen. Pearson from Rules and Administration to Public Works. Sen. Bottum assigned to Interior and Insular Affairs and Rules and Administration. p. 12954

HOUSE

12. FARM PROGRAM. The Rules Committee reported a resolution for consideration of H. R. 12391, the new farm bill. p. 13108

13. ROADS. Passed with amendments H. R. 12135, to provide authorizations for roads for the fiscal years 1964 and 1965. In addition to the committee amendments, agreed to (236-159) a Baldwin amendment to require State highway departments t provide relocation advisory assistance to families displaced by right-of-way acquisitions. Rep. Ullman commended the provisions for forest roads and inserted tables showing the program for this item (pp. 13054-9). The bill includes an authorization of $33 million for forest highways for each of the two years and $10 million for 1963, additional $70 million for 1964, and $85 million for 1965 for forest development roads and trails. pp. 13043-71

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1997

CONSIDERATION OF H.R. 12391

JULY 18, 1962.—Referred to the House Calendar and ordered to be printed

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 727]

The Committee on Rules, having had under consideration House Resolution 727, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 278

87TH CONGRESS
2D SESSION

H. RES. 727

[Report No. 1997]

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1962

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and all points of order against said bill as they pertain to Public Law

480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Calendar No.

87TH CONGRESS
2D SESSION

H. RES. 727

[Report No. 1997]

RESOLUTION

Providing for the consideration of H.R. 12391, a bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. SMITH of Virginia

JULY 18, 1962

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 20, 1962
For actions of July 19, 1962
87th-2nd, No. 123

CONTENTS

Allotments and quotas....1
American Samoa.....4
Appropriations procedure.2
Base acreage.....1
Budget.....22
Claims.....28
Consumers.....5,17
Corn.....1
Dairy.....1
Drug monopolies.....12
Education.....8
Electrification.....26
Farm labor.....16
Farm loans.....2
Farm machinery.....27
Farm production.....2
Farm program.....1
Feed grain.....1
Food and drugs.....7
Foreign aid.....11
Foreign trade.....18
Forest products.....21,27
Fruit and nut imports...18
Honeybees.....31
Housing.....29
Irrigation.....23
Lands.....15
Lumber.....21
Milk.....1
Minerals.....15
Monopolies.....12
Nomination.....19
Opinion poll.....25
Personnel.....24
Public welfare.....3,14
Public works.....30
Reclamation.....13
Selective service.....9
Social security.....3,14
Sugar.....31
Taxation.....27
Warehousemen.....1
Watersheds.....1,10
Wheat.....1
Wheat referendum.....32
Wildlife.....1,20

HIGHLIGHTS: House passed new farm bill. Sen. Smith, Mass., urged legislation to aid migratory workers. Senate considered conference report on foreign aid bill. Sen. Javits and Rep. Halpern commended President's appointment of Consumers' Advisory Council. Rep. Beckworth inserted tables on farm production and loans.

HOUSE

1. FARM PROGRAM. Passed, 229-163, as reported H. R. 12391, the revised version of the farm bill (pp. 13180-236). Rejected the following amendments:

   By Rep. Reuss, to make drainage aid subject to an Interior finding that wildlife would not be harmed; by a 30-51 vote. pp. 13210-11
   By Rep. Saylor, to strike out the watershed provisions. pp. 13211-12
   By Rep. Latta, to base feed-grain supports on 90% of the average price rather than 80%. pp. 13216-17
   By Rep. Bass, Tenn., to provide for corn marketing quotas; by a 40-156 vote. pp. 13218-20
   By Rep. Quie, to authorize wheat classes to be exempt from quotas if in short supply; by a 95-117 vote. pp. 13220-4
   By Rep. Roosevelt, to repeal all allotments, quotas, and supports; by a 74-107 vote. pp. 13223-4

By Rep. Collier, to repeal all allotments, quotas, and supports in 1966. pp. 13223-4
By Rep. Bass, Tenn., to prohibit warehousemen from paying or receiving rebates, gifts, etc.; by a 66-111 vote. pp. 13224-5
By Rep. Harding, to repeal feed-grain supports and liquidate the stocks over 15 years; by a 79-111 vote. pp. 13225-6
By Rep. Smith, Iowa, to prohibit supports to those who exceed allotments; by a 14-93 vote. pp. 13226-7
By Rep. Hemphill, to strike out the dairy provisions; by a 92-133 vote. pp. 13227-8
By Rep. Nelsen, to give flexibility in apportioning base acreage to farms. pp. 13228-9
By Rep. Stratton, to legalize the compensatory-payments feature of the Milk Marketing Act, which had been invalidated by the Sumpreme Court; ruled out of order. pp. 13229-30
By Rep. Bass, Tenn., to strike out the minimum national wheat allotment provision. p. 13231

2. APPROPRIATIONS PROCEDURE. Rep. Cannon announced the agreement between the Appropriations Committees regarding procedure (see Digest 122). p. 13174

3. PUBLIC WELFARE. By a 357-34 vote, agreed to the conference report on H. R. 10606, to extend and improve the public assistance and child welfare services programs of the Social Security Act. pp. 13175-9

4. SAMOA. House conferees were appointed on H. R. 10062, to extend various laws to American Samoa. Senate conferees have not yet been appointed. p. 13179

5. CONSUMERS. Rep. Halpern commended the President's appointment of a Consumers' Advisory Council. p. 13244

6. FARM PRODUCTION AND LOANS. Rep. Beckworth inserted various tables on farm production and loans, etc. pp. 13247-57

7. FOOD AND DRUG ADMINISTRATION. Rep. King, Utah, criticized certain actions of the F&D Administration, particularly regarding the book, "Calories Don't Count." pp. 13257-60

8. EDUCATION. Rep. Nix urged additional aid for education, mentioning especially general extension education at the college level and library facilities for areas lacking such services. pp. 13260-3

9. SELECTIVE SERVICE. Received from the Labor Department a proposed bill "to amend and clarify the reemployment provisions of the Universal Military Training and Service Act"; to Armed Services Committee. p. 13274

10. WATERSHEDS. The Conservation and Credit Subcommittee of the Agriculture Committee reported favorably to the full committee the following watershed projects: Scattering Fork, Ill.; Rocky Comfort Creek, Ga.; South Fork Blackwater River, Mo.; Little Kentucky River, Ky.; Puukapu watershed, Hawaii; South Sumper, Fla.; North Branch Mill Creek, Mich.; Dicks Creek-Little Muddy Creek, Ohio; and Ken Creek, Tex. p. D609

NAYS—34

Alger	Findley	Martin, Nebr.
Ashbrook	Gross	Mason
Becker	Hall	Michel
Beermann	Hiestand	Minshall
Brown	Hoffman, Ill.	Ray
Bruce	Johansen	Reifel
Clancy	Kilburn	Rousselot
Curtis, Mo.	King, N.Y.	Schadeberg
Derounian	Laird	Scherer
Devine	Lipscomb	Smith, Calif.
Dole	McCulloch	
Dorn	McVey	

NOT VOTING—44

Alford	Gray	Moulder
Berry	Gubser	Riley
Blitch	Harrison, Va.	Roberts, Ala.
Boggs	Harvey, Mich.	Saund
Bolton	Hébert	Scranton
Byrnes, Wis.	Hoffman, Mich.	Shelley
Cramer	McSween	Sheppard
Curtis, Mass.	Macdonald	Spence
Dague	Mailliard	Taber
Davis, Tenn.	Mathias	Thompson, La.
Ellsworth	May	Utt
Flood	Merrow	Van Zandt
Frazier	Miller, George P.	Willis
Gallagher	Morgan	Winstead
Garland		Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Byrnes of Wisconsin for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Harrison of Virginia with Mrs. Bolton.
Mr. Davis of Tennessee with Mr. Scranton.
Mr. Frazier with Mr. Ellsworth.
Mr. Gallagher with Mr. Mathias.
Mr. Moulder with Mr. Harvey of Michigan.
Mr. Thompson of Louisiana with Mr. Cramer.
Mr. Hébert with Mr. Gubser.
Mr. Willis with Mr. Van Zandt.
Mr. McSween with Mr. Dague.
Mr. Alford with Mr. Utt.
Mr. Spence with Mr. Berry.
Mr. Macdonald with Mrs. May.
Mr. George P. Miller with Mr. Curtis of Massachusetts.
Mr. Boggs with Mr. Merrow.
Mr. Gray with Mr. Taber.
Mr. Shelley with Mr. Mailliard.
Mr. Morgan with Mr. Garland.

Mr. REIFEL and Mr. GROSS changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPLICATION OF CERTAIN LAWS TO AMERICAN SAMOA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10062) to extend the application of certain laws to American Samoa, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, O'BRIEN of New York, ROGERS of Texas, SAYLOR, and WESTLAND.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolutions of the House of the following titles:

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances;

H.R. 3383. An act for the relief of Joseph Starker;

H.R. 5061. An act for the relief of James L. Merrill;

H.R. 6655. An act for the relief of Lecil A. Sims;

H.R. 8282. An act to amend section 3203 (d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child;

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care;

H.R. 8484. An act to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes;

H.R. 9273. An act to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants;

H.R. 9599. An act for the relief of Solomon Annenberg;

H.R. 9844. An act to waive section 142, title 28, United States Code, with respect to to the U.S. District Court for the District of Connecticut for holding court at Bridgeport;

H.R. 10012. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Tennessee holding court at Winchester, Tenn.;

H.R. 10016. An act to waive section 142 of title 28, United States Code, with respect to the holding of court at Decatur, Ala., by the U.S. District Court for the Northern District of Alabama;

H.R. 10389. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.;

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan;

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes;

H.R. 10669. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance;

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes;

H.J. Res. 714. Joint resolution authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters;

H. Con. Res. 413. Concurrent resolution authorizing the printing of additional copies of "Supplement to Cumulative Index to Publications of the Committee on Un-American Activities—1955 through 1960 (84th, 85th, and 86th Cong.)," 87th Congress, 1st session;

H. Con. Res. 415. Concurrent resolution authorizing the printing of additional copies of the publication entitled "Cumulative Index to Publications of the Committee on Un-American Activities, 1938–54," 84th Congress, 1st session;

H. Con. Res. 417. Concurrent resolution authorizing the printing of additional copies of House Report No. 1278, parts 1 and 2, 87th Congress, 1st session;

H. Con. Res. 454. Concurrent resolution authorizing the printing of additional copies of the "Hearings on Small Business Problems Created by Petroleum Imports;"

H. Con. Res. 476. Concurrent resolution providing for additional copies of hearings on Judicial Review of Veterans' Claims, 87th Congress, 2d session; and

H. Con. Res. 480. Concurrent resolution authorizing the printing of a report entitled "Motor Vehicles, Air Pollution and Health" as a House document, and providing for additional copies.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H.R. 7336. An act to promote the production of oysters by propagation of disease-resistant strains, and for other purposes;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration;

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration; and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1611. An act to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation;

S. 1192. An act to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads;

S. 1307. An act to amend section 128 of title 28, United States Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Washington, southern division, holding court at Richland, Wash.;

S. 2399. An act to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes;

S. 2568. An act to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes;

S. 2690. An act for the relief of Mona McIsaac Downey;

S. 2763. An act for the relief of Marie Karoline Dollar and Alex Peter Pedersen;

S. 2869. An act to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training;

S. 2916. An act to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes;

S. 3109. An act to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3279. An act for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai);

S. 3408. An act to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons;

S. 3431. An act to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 195. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes; and

S. Con. Res. 66. Concurrent resolution requesting the President to designate November 4–10, 1962, as "National Country Music Week."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district of Florida.

FOOD AND AGRICULTURE ACT OF 1962

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 727, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and all points of order against said bill as they pertain to Public Law 480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. GARMATZ].

(Mr. GARMATZ asked and was given permission to speak out of order.)

AMERICAN MERCHANT MARINE

Mr. GARMATZ. Mr. Speaker, the press has recently called attention to the fact that former President Eisenhower sailed to Europe on the British liner *Queen Elizabeth.*

While it is true that his attention during recent times has been devoted to trying to lead the Republican Party out of the slough of despondency in which it is mired, has he completely forgotten the American merchant marine?

Has he forgotten that but a few short years ago he was referring to it as the fourth arm of our defense? This sets an unfortunate example by our former Commander in Chief of our armed services and former President to other American citizens using ocean transportation.

Has he forgotten that every dollar paid to a foreign ship line contributes to our loss of gold and increases our imbalance of payments?

Has he forgotten that the queen of the Atlantic, our own SS *United States,* flies the American flag?

We can only hope that other Americans do not forget these things, nor that the finest and safest ships in the world are those of our American merchant marine.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BASS] and I also yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BASS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. BASS of Tennessee. Mr. Speaker, I find myself in the very unusual position of being in opposition to the position of my chairman on the Committee on Agriculture with relation to the bill whose consideration this rule makes in order. In the 8 years that I have been on the Committee on Agriculture I have opposed the chairman or the majority of the members of my committee on only one other occasion, and that was on a suspension of the rules.

However, today I am firmly convinced that the legislation that this rule makes in order is not legislation that should be passed by the House in its present form because it does not get at the heart of the problem that exists today. This is not an administration bill, it is not a committee bill. This is an illigitimate piece of legislation that could be referred to as being pasture bred. I am not sure who the sire is and I am sure the dam is not sure either. This only continues the same type of problem we have had in the past. It is a temporary extension of something that has been recognized as being bad, because previously we brought legislation on the floor of the House which would have repealed this, would have eliminated it.

I say to you that the people that supported the last bill that was on the floor of the House in good conscience cannot support this bill, because this bill is diametrically opposed to the legislation that you were asked to support the last time. It continues a thing that they told you would be eliminated by the passage of the bill that was defeated 3 weeks ago.

I say to my friends from the city who come to the floor and represent the consumer element of our population that this only continues in existence programs which have built up surpluses which have cost the taxpayers billions of dollars and have done nothing to reduce the cost of food to the consumers, or really improve the general farm economy.

Mr. Speaker, it is my honest opinion that before any legislation is passed on the floor of the House it is vitally necessary for us to amend this bill. I have three amendments that I will offer today.

If these amendments are adopted, then if we would go into conference with the other body, with an approach to curing the problem, then I would say—pass this bill. Otherwise, we cannot even go into conference with the other body on the bill they passed because out of utter desperation our own committee tabled the bill that was passed by the Senate. I voted not to table. We are saying to the Senate, we will not go to conference with you. We will not consider a conference committee with you until you take up this bill that we have to come back to and present it to the House. So, my friends, in all sincerity I say to you before we pass this bill today, let us adopt amendments that would eliminate the 55 million acre minimum wheat acreage allotment which has been filling the warehouses with wheat at a cost to the taxpayers of billions and billions of dollars. Let us not continue this cancer that is killing not only the farm program, but the taxpayers of the United States.

Also, let us repeal in this act, if we pass it, the 1958 Feed Grains Act that nobody is really in favor of, the thing that continues practices of over production at high price supports. The farmer either must have complete freedom, to produce what he wants to and sell it in the market or else, if we are going to support prices, there ought to be some sort of production controls as part of it. I hope today, before this House is willing to pass any temporary extension, that we will do something that will look realistically at the problem. If we pass this bill today, it is just like filling up the chuck holes in a bad road instead of trying to build a new roadbed. I sincerely solicit your help today in trying to build a new roadbed for agriculture and look forward to a program that will cure the ills instead of just extending the present cancer that we have on the books.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman.

Mr. JENNINGS. I want to say to the gentleman that what he is saying, to a great extent I certainly agree with, especially as it pertains to the comparison between this program and the program which we voted for a few days ago. But,

I think the gentleman would agree with me, there is this difference. The Findley amendment which was placed in the committee bill which we are now considering reduced the support prices to 80 percent of the average of the past 3 years rather than 90 percent. So, in effect, what we are doing is changing the 1958 act instead of supporting unlimited production at 65 percent, we will be supporting it at 52½ percent.

Mr. BASS of Tennessee. But that does not cure the problem. It just eases the pain. I might remind my friend that the gentleman from Illinois [Mr. FINDLEY] opposed the bill.

The SPEAKER. The time of the gentleman has expired.

[Mr. FINDLEY addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume and ask the Speaker to notify me when I have spoken for 4 minutes.

Mr. Speaker, we are faced with a peculiar situation. We have had the bill and other matters discussed, but no one has discussed this rule. Perhaps I am personally in a poor position to discuss the rule, because I was one of the four members of the minority on the Rules Committee who did not hear the discussion of this legislation. It was called up suddenly before the Rules Committee under very peculiar circumstances, at a time when we had not had any opportunity to read the bill or to even have the report available to study.

The meeting of the Rules Committee to consider this legislation was called late on Thursday evening at a time when the House still was in session. I learned the next morning that a copy of the bill itself had not been delivered to my office until after 5:30 Thursday evening, and that a copy of the report had been delivered to the Rules Committee just before I arrived for the hearing on the application for a rule, so there was no opportunity given to me, as ranking minority member, or to other members of the Rules Committee as far as that is concerned, to study either the report or the bill, or to know anything about the measure before we acted upon it. All this in spite of the fact we had an understanding in the Rules Committee that on all important legislation the committee report must be filed at least 48 hours in advance of the hearing so we could have an opportunity to study it and the bill, and know something about the legislation involved before granting a rule.

At that time I was informed by the chairman this was just another agriculture bill, similar, it was so stated, to the farm bill that had been defeated in the House by 10 votes some few days before. Of course, all you have to do is read this bill, and the one that was defeated, to know they are entirely different measures. So all I know about this resolution or rule is more or less hearsay.

The resolution before us is an open rule, providing for 2 hours of general debate on a new farm bill, not the one considered here a couple of weeks ago and defeated, or anything like it, but rather a new bill that would extend the original Kennedy administration farm bill, with some few changes, that was passed by the Congress back last year, in 1961, and it does contain a great many controversial provisions. So I am sure a great many amendments will be offered to this measure, amendments that may be worthy of real consideration. I am sure that one provision of the committee bill would seriously affect and injure my section of the country, for the 1964 crop at least, because the support price for corn would be greatly reduced—corn and similar feed grains produced in our section of the country—and would also affect many of the agricultural activities in other parts of the Nation.

So I am hoping that, now that we have had an opportunity to read the report and the bill, that both will be given careful consideration at this time here on the floor of the House, consideration that could not and was not given to either in the consideration of the granting of a rule on this bill by the Rules Committee Friday of last week.

Mr. Speaker, I yield 7 minutes to a member of the Rules Committee, the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, this is the usual rule for the consideration of an agricultural bill. It is an open rule and provides for 2 hours of general debate.

We are faced with a somewhat unusual legislative situation in connection with this legislation. The House, acting in its wisdom, recommitted an earlier proposal to the Committee on Agriculture. This bill was drafted shortly thereafter by the Committee on Agriculture and the general provisions of the bill are along the lines that were proposed to the House by the minority during the debate on the earlier agriculture bill. The situation became even more complex when the Committee on Agriculture proceeded to table a Senate bill immediately after this bill was voted out of committee. The vote to table the Senate bill was by the lopsided majority of 23 to 12. This has the effect of not making a conference in order between the other body and the House after this bill passes.

The Rules Committee considered a rule containing a unique and special provision which would have made in order the substituting of this bill under the Senate number after the conclusion of its consideration today. That would have had the effect of making a conference again in order despite the tabling action of the Agriculture Committee. The Rules Committee acting with discretion and wisdom rejected that special provision and we are considering this bill under the usual rule.

Now, it appears that perhaps the administration spokesmen in the other body are determined to stir up another donnybrook over farm legislation. Although I did not read this statement in the Washington press, I read just this morning in last Tuesday's Kansas City Star where the senior Senator from Minnesota [Mr. HUMPHREY], assistant Democratic leader, predicted as follows:

> If the House passes its bill the Senate will reject it and substitute its own tight-controls measure.

The story continues:

> This would force a conference which would be likely to produce another deadlock, in view of the sharply different positions the two Chambers already have taken.
>
> HUMPHREY said he feels that if there is any farm bill at all it will have to be produced by a conference committee reconciling what undoubtedly would be very wide differences.

I certainly hope the Senator misspoke the judgment of the other body as I agree that if the mandatory provisions of the Senate bill are to be forced on American farmers, there probably will be no legislation at all. Whereby that appears to be the will of some Members of this body, I would hope that this bill can be enacted into law substantially as it is here today. However, if the other body insists on a further controversy, I am confident this House will continue to support a position of wisdom and responsibility.

Now in regard to the bill itself. This is probably one of the few bills that Congress will have enacted that will be fully understood by the farmers of America. That is not because there has been any great effort made to disseminate the facts and proposals contained in the bill, but by the mere fact that they have learned from one or more years experience as to what effect this bill will have on their own particular farm operation. There are a few changes in the bill, but I think these changes for the most part are an improvement over present legislation.

The specific provisions of both the feed grain section and the wheat section will be discussed in detail during general debate on the bill. I do not know of extensive opposition to title I of the bill which is essentially the same as the recommitted bill. It deals primarily with the improved conservation adaptation on acres that have been diverted from usual crop production. Since the Secretary is not given the right of eminent domain, this remains a voluntary program and I think is quite in order. Most of the debate on the other bill was centered around the feed grain section. Under this debate on the rule I would just call the attention of the House Members to certain principles that are contained in that section today.

Most of all, it is a voluntary program that is being proposed. This program has worked quite well for the last 2 years reducing feed grain acreage by approximately 30 million acres. The significance of this feed grain program being a voluntary one has ramifications beyond the program itself. This group of crops; namely, corn, grain sorghum, and barley is inevitably tied to the livestock industry. If a mandatory compliance program is to be foisted upon the American farmers in the production of these feed grains, it is just a matter of time until there will be advocates of control on the livestock industry itself. This has only been adopted once and that was backed under an ill-fated program in the Roosevelt days and it was so distasteful to farmers and administrators that it has never been attempted since. I hope that it never will.

Now to my Republican colleagues, and I understand there are some who are

opposing this bill. I want to remind you that the soil bank program is primarily a Republican proposal and despite the effort to discredit it as such, it still remains the basis of most agricultural legislation today. The feed grain program and to some extent the wheat program as well is actually just an amplification of the original soil bank program. Actually it could still be called the soil bank program if there had not been such a determined effort to establish a new frontier complexion to the feed grain program when it originally passed. As has been stated on the floor several times this year, some of the early soil bank contracts will expire in 1963. One of the important changes in this bill increases the maximum percentage of the feed grain acres that may be placed into the program. That increase maximum is from 40 to 50 percent. In round figures we have approximately 70 million acres designated as feed grain acres.

Ten percent of this amount, or 7 million acres, will just about compensate for the retiring soil bank acres next year. Obviously that will not be the same acres on the same farm, but as far as the total picture is concerned, this program, if extended, can well absorb at least on a reasonable basis those acres that are being released from their diversion.

There is one further aspect of this program that I want to mention and that is actually the crux to the entire matter. That point revolves around the volume and at what price present Commodity Credit stocks may be established upon the market by the Secretary of Agriculture. It is my understanding that this would be governed entirely by existing law. In other words, there are two separate procedures whereby this grain may be sold. The general provision that such stocks as are sold can only be sold for 105 percent parity unless it is determined that certain quantities are going out of condition and under that circumstance they may be sold at a price determined by the Secretary. The other procedure is certificates that have been issued to farmers in lieu of cash payments for diverted acres. The farmer in turn converts the certificate into cash at his local ASC office and it then becomes the responsibility of the Secretary to dispose of these certificates on the open market.

Mr. Speaker, I had originally planned to pay tribute to the Secretary of Agriculture for what I consider a reasonably good job of feeding these certificates into the market at a rate the market could absorb, but without drastically reducing the price and without causing a major price disturbance. However, in view of what I read in the paper this morning I question whether the Secretary would welcome any words of commendation from the Republican side of the aisle, but I would say this: that the operation of these certificates has not unduly, at least, disturbed the price of feed grains on the open market.

Mr. Speaker, the certificates for the 1961 crop year were all disposed of by May. I am advised that there are no certificates in the custody of the Secretary of Agriculture at this time.

There is one change in the 1958 act that will have no effect on the 1963 crop, but could possibly have considerable significance for 1964. In this bill we are amending the 1958 act to provide that if this act governs the price of the 1964 crop, such price will be 80 percent of the average market price for the next 3 years, with no minimum percent of parity support. The present law provides that such price shall be 90 percent of the 3-year average but with no minimum parity support. This, of course, would be an important factor if this program were not extended past 1963.

Now in reference to wheat. Little was said about the wheat program during the debate on the other bill. The 1962 program provided for a 10-percent reduction in individual farm allotments from those that had prevailed generally speaking since 1953. This 1962 program has significantly reduced the stocks of wheat in the commodity credit bins. There has been a diversion beyond the 10 percent that was required in the 1961 act and wheat plantings were reduced by about 27 percent. There was a reduction of about 150 million bushels in our commodity credit stocks and it is estimated that this program, if extended, would reduce them by 100 million bushels. The stocks are still substantial, however, and the present carryover of about one and a quarter billion bushels is somewhat in excess of what is considered to be a desirable minimum.

Now, why am I supporting this bill? If this bill is not passed, the total national allotment of 55 million acres will undoubtedly be planted this fall. This would have the effect of increasing plantings by somewhere between 10 and 20 percent. Instead of further reducing commodity credit, the stocks in 1963, very possibly the trend could be reversed and there could be a carryover after next year's crop is harvested. Contrary to the impression that some Members apparently have, wheat farmers do not wish to compound their present difficulties by an expanding wheat production. They are aware that the warehouse cost of more than a reasonable maximum carryover not only has a depressing effect on the price of wheat, but places in jeopardy the entire program. Wheat farmers are generally in support of this bill although there was an extensive effort on the part of some wheat growers to transfer to the so-called bushel management plan that was provided for in the recommitted bill.

I had considerable reservation in the bushel management plan that was contained in that bill and had very serious reservations about related provisions, particularly dealing with acreage history.

Now as to costs, there is no significant difference between the cost of this bill and the wheat section in the recommitted bill. The cost to the Government is essentially the same. Therefore, Mr. Speaker, I would urge the adoption of the rule and the passage of this bill. It is not perfect, it does not have unanimous support, but in the mean I think it is in the best interest of agriculture which in turn makes it for the best interest of the country generally.

I might say, too, that this is probably the first agricultural bill that has been considered by the House for a long time that the farmers are going to understand. Now, they are not going to understand this bill, particularly because there has been so much written about it or said about it, but the reason they are going to understand it is because it is the same program, essentially, under which they have managed their crops for the last 2 years. I do not know what word other Members have received from their districts, but from the Middle West, categorically speaking, this program will be received as well as any other program ever enacted by the Congress.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. The 55 million-acre allotment is bad, and you and I both know it is bad. Why do we not eliminate it?

Mr. AVERY. Those are the gentleman's words.

Mr. BASS of Tennessee. You said it had been a problem yourself. Why not eliminate it and then write legislation that will be good? I do not want to destroy the wheat farmer any more than you do. I want to do something that will help keep a program.

Mr. AVERY. This is my time and it is running short here. I would only say this. In this bill we are not allocating allotments on the basis of the 55 million acres, but it does remain the basis on which we apply the reduction. In this particular instance I cannot see any other procedure than to retain it in the bill this year. If it is the judgment of the Members to write a new program next year, all right, but that is not the position we are in today.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. BROWN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. AVERY. I thank both the gentleman from Ohio and the gentleman from Virginia.

There is one very important provision in regard to the feed grain section that I want to call to the attention of the Members of the House, and I regret that we intermingled with my comments on the feed grain section, the observations on wheat.

The real crux of the feed grain program revolves around the volume of grain that may be sold by the Secretary of Agriculture now in the Commodity Credit stock and at what price. Those are two fundamental aspects of this program.

I want to assure the Members that there is no change in this bill over existing law as far as the authority of the Secretary to dispose of existing stocks. There are two provisions that are applicable to this: one provision that he cannot sell this on the open market for

less than 105 percent of the support price unless the grain has gone, what we describe as "out of condition." That is a provision that has been in the statute for years. The other applicable provision was written at the time the feed grain program was first authorized in 1961. It provides that the Secretary may issue certificates to the farmer for payment on diverted acres, and the farmer, in turn, converts those certificates to cash at his local ASC office. They become then the property of the Secretary of Agriculture, and he feeds those certificates, which really represent bushels of grain, on to the market at his discretion.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield briefly to the gentleman from Illinois.

Mr. ARENDS. I want to say to the gentleman that the information I have and based upon figures that are available to me as to the power of the Secretary of Agriculture, this is one of the worst provisions in the bill. The Secretary has continuously and repeatedly unloaded No. 1 and No. 2 corn that was in good condition. The Secretary has successfully depressed the market one week after another. This is fact and not fancy. Figures available will prove this.

Mr. AVERY. The gentleman misunderstood what I said. I was not addressing myself to his authority to sell corn at 105 percent of the support price unless it was out of condition. I was confining my remarks to the selling of these certificates into the open markets, the certificates which have been issued to farmers to compensate them for diverting X number of acres from feed production.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. TEAGUE].

(Mr. TEAGUE of California asked and was given permission to revise and extend his remarks.)

Mr. TEAGUE of California. Mr. Speaker, as my colleagues know, I very rarely come to the well of the House to address the membership. This is because I know all of the Members do their homework. I have great confidence in the good judgment of my colleagues and I am under the opinion that very few votes on this floor are changed by speeches, certainly from me. It does sadden me a little—it saddens me a lot, to be here on the floor of the House taking a different position than that of my good friend the gentleman from Iowa [Mr. HOEVEN], the ranking Republican member on the Committee on Agriculture. Rarely do we not agree on general legislation or farm legislation. But I do very much disagree with the gentleman from Iowa [Mr. HOEVEN] in this case.

I oppose H.R. 12391 for several very valid reasons. It has been said that this bill is the lesser of two evils. That is what many of my constituents say when they vote to return me to Congress. However, that situation is easily distinguishable from the one facing us today. My constituents must have a Congressman whether he is more or less evil. We do not have to have farm legislation this year.

While some of the provisions of the bill before us are not too objectionable, the sections dealing with feed grains, wheat, and dairy products are completely unacceptable to me.

The feed grain and wheat sections are extensions of current programs and because they have been so costly and ineffective, the administration decided early in this session of Congress to abandon this approach and go all out for a strict mandatory control program for feed grains and a multiple price plan for wheat.

Secretary Freeman himself, in a letter dated June 8 of this year, addressed to each Member of the House of Representatives, estimated the cost of extending the emergency feed grain and wheat programs for 1963 would be $2,400 million.

Senator ELLENDER recently told the Senate that the extension of the 1962 emergency wheat program would cost taxpayers $3.30 a bushel for each bushel of reduction achieved. With these kinds of statements being made by spokesmen for the administration, it is inconceivable for me to see how anyone can support an extension of these costly programs. Probably, there is not a Member of Congress who is not receiving heavy mail demanding greater economy by the Federal Government. Here is a perfect chance to make an economy vote. I repeat that Secretary Freeman himself, just a little over a month ago, stated that the cost of this bill for 1963 alone would be $2,400 million.

This bill also includes a dairy section which could well be the beginning of supply management and compulsory milk quotas for all dairy farmers. The proposed program, although voluntary for the first year, would establish quotas for all dairy farmers. While some farmers would be paid to reduce their production, other farmers could expand their output as an offset. Thus, it can readily be seen the program would add more costs to the already costly dairy program and would be ineffective in accomplishing anything worthwhile. Furthermore, as the cost of this program for the dairy industry mounted, the clamor for a compulsory program for the dairy industry would follow as sure as night follows day. We have ample evidence of this after seeing the "emergency" feed grain program in effect on a voluntary basis, and because of its cost and ineffectiveness, a demand was made that a compulsory quota program be adopted.

Again, I state I want no part of it for feed grains and certainly not for dairy products.

Another reason for opposing this bill is that it modifies very substantially the Agricultural Act of 1958 as it relates to the support prices of corn and other feed grains. In my judgment, the 1958 act for feed grains was a good act and if permitted to operate over a few years would have been very effective as far as corn and other feed grains are concerned. It provides a sensible formula for gradually reducing price supports and subsidies; namely, price supports each year for feed grains would be 90 percent of the average market price for the past 3 years except for a 65 percent floor—too high. This is a sensible and fair method for a return to some semblance of the law of supply and demand.

Contrary to much misinformation that has been put out by opponents of this 1958 act, a very high percentage of the buildup of corn took place prior to the effective date of the 1958 act. Most of those that would now change this act or eliminate it, do so in my judgment with the idea in mind of making the law completely ineffective. Thus, when the costly 1-year extension of the feed grain program as envisioned in this bill comes to an end at the end of 1963, feed grain farmers will not have any effective legislation to fall back on. Those that oppose the 1958 act would like to have them in this position because they could then demand supply management, such as we defeated a few weeks ago, or else nothing.

Let me say that if the bill is killed, as I hope it will be, we will then revert back to the 1958 act for the year 1963 as far as corn and other feed grains are concerned. This would be much preferable to what would happen if the bill is enacted. The Secretary has already made his announcement on wheat and has reduced the support level to $1.82. This action alone will save on the order of $128 million in export costs for wheat.

In addition, if the emergency wheat program is not extended for another year, approximately $345 million will be saved in land retirement payments for wheatland under the emergency program.

Obviously, the land retirement payment for feed-grain land taken out of production, which amounts to approximately $900 million, would also be saved. The boondoggle involved in the dairy program, which could be very costly under this bill, would also not be permitted.

Finally, I reiterate once more that Secretary Freeman himself estimates the cost of this bill to be $2,400 million. As we all know, Mr. Freeman's estimates of the cost of farm programs are consistently on the conservative side. By "conservative," of course, I mean low. I think no one could properly describe Secretary Freeman as being conservative.

I urge Members of this House to vote "no" on this bill.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. ST. GEORGE], a member of the Committee on Rules.

Mrs. ST. GEORGE. Mr. Speaker, I rise in opposition to this bill; that is, to a special section of the bill, and therefore I shall oppose the bill as a whole. I think this bill has a great many of the objectionable features of the bill that was defeated. I also think the bill is too specialized. It takes care of only certain parts of the agricultural program and the agricultural problem.

I am particularly interested in the dairy portion of this bill because that is what is most important in my part of the country. I do not think this bill does anything for the dairyman of the Northeast. That is nothing new. We have never had a bill out of this Committee on Agriculture that ever did do much for us. But I would like to say this: The dairy program, which is the last subtitle under title III, is essentially the same as that in H.R. 11222, and with it go the same arguments as were made with reference to H.R. 11222. I quote these arguments from the minority report, No. 1691, on page 148:

1. While the bill now calls only for payments, the administrative machinery and the program data for the control program would be established for subsequent controls.

And that is very important.

2. Under the proposed dairy plan, price supports would be available to all producers, compliers and noncompliers. This sets the stage for a sharp increase in production by noncomplying dairy farmers, the net result of which would be large sums of money expended by the Government with very little result.

The only real change is that the provision which would have authorized a producer to transfer his milk production base to another producer has been eliminated.

And finally, Mr. Speaker, it seems to me that whoever writes these dairy sections in these bills knows very little about dairy cows and milk production, because, as a matter of actual fact, all the dairymen of the Northeast can do under these laws is shoot the cows.

Mr. BROWN. Mr. Speaker, I yield the balance of the time remaining on this side to the gentleman from California [Mr. SMITH], a member of the Committee on Rules.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, during my years in the California State Legislature and here in Congress, I have always noted that important farm legislation, as well as important judicial legislation, seems to find the expert members on the respective committees with many different points of view. I have often thought that it might be a good idea some session to refer all agricultural legislation to the Judiciary Committee and all judicial legislation to the Agriculture Committee. In that way the experts could attack and amend any measures that came out of the respective committees. Whether the result would be as satisfactory, I do not know, but at least it would be an interesting experiment.

I do not pretend to be an expert on the farm problems as I represent a strictly urban district. I have not heretofore commented on any of the proposed measures because I am aware that the committee members are always desirous of having time to express their comments. But, inasmuch as we have a little time today on the rule, I do want to place some comments in the record, not with the thought of influencing any votes but in order that I can compare the same with what takes place during the next year to see whether or not my thoughts are correct.

Mr. Speaker, H.R. 12391 appears to me to be more patchwork on top of patchwork. It is time to get down to some basic economics on farm legislation. The short run expedient has run out as an effective answer to the farm problem.

As I am sure is true of most of us, I am appalled by the costs of the farm program. It was not too long ago when the budget for the Department of Agriculture was around $1 billion a year. Now it runs $6 or $7 billion a year. All of this increase is not, to be sure, due to the farm price support program, but most of it is. Each time a new farm bill is presented to us we can be reasonably sure that the costs will be higher. This, in my judgment, was true of H.R. 11222, which was defeated several weeks ago. I believe it is equally true with respect to the bill before us today.

There are several reasons why the costs of farm programs continue to spiral upward. But certainly the level of price supports is of basic and crucial importance.

Price supports in excess of market levels provide a continuous and cumulative incentive for farmers to produce more per acre. As price support levels are increased, the amounts of the commodity that the Government must take, double and quadruple and the cost of disposing of such surpluses rises even more rapidly. Price supports in excess of market levels keep U.S. farm products out of foreign markets and compel us to rely on expensive give-aways and export subsidies to dispose of surpluses.

Since Secretary Freeman has taken office he has increased the level of price supports substantially for corn, other feed grains, wheat, cotton, rice, dairy products, and soybeans.

This is going in the wrong direction. It encourages farmers to produce bigger crops to turn over to Government. At the same time the Secretary has been seeking legislative authority to impose restrictive and, in my opinion, unworkable production and marketing controls on farmers, supposedly to reduce surpluses.

We might use any of the supported commodities to illustrate the effect of raising price supports on the cost of Government price support operations. But let me use dairy products as an example.

By the summer of 1960, the dairy industry had merely reached a balanced situation. This was the result of a period of years in which dairy price supports were held at $3.08 a hundred. Consumption had crept up gradually, and production had been stabilized, so that supply and demand were approximately in balance. The Department of Agriculture was still buying comparatively small amounts of dairy products—but the cost to the Federal Government was nominal and declining.

But then the level of price support on dairy products was increased to $3.22 a hundred. And when he came into office, Secretary Freeman raised it further to $3.40.

The result was that in 1961, milk production, which had been stabilized, increased sharply, and milk consumption, which had been rising, declined. The Department was forced by its price support commitment to step up purchases of dairy products. By the early months of 1962, purchases of dairy products were running in excess of a half billion dollars annually.

This is an illustration of how not to operate a Government price support program. It demonstrates the key role that price plays in adjusting production and consumption. It shows that the simple and effective way of reducing Government farm program costs is to put price supports at a realistic level.

Now, what happens in 1963 if no farm legislation is approved? Under the terms and conditions of existing legislation the level of price supports must be reduced.

Corn must be reduced from $1.20 a bushel to approximately $1.05 a bushel.

The level of price support for dairy products must be reduced. Secretary Freeman has already reduced this to $3.11 a hundred.

The Secretary has announced a reduction in price support for wheat in 1963 from $2 to $1.82 a bushel.

The price support level for other commodities can, within the Secretary's discretion, be reduced.

The expensive emergency wheat and feed grain programs would be terminated. All such actions would reduce substantially the cost of operating price support programs. They would reduce the amounts that government would be forced to buy. They would reduce the amounts of export subsidies.

Certainly, this is not the answer to the farm problem—but let us compare the alternative with that proposed in H.R. 12391.

H.R. 12391 would pump additional billions of dollars into the farm economy. While paying farmers to retire acreage, the bill would provide incentive and capital to encourage farmers to increase production per acre. This is trying to go in both directions at the same time.

In his letter of June 8 to all Congressmen, Secretary Freeman estimated the costs of continuing the emergency wheat and feed grain programs in 1963 at $2.417 billion.

I do not know whether or not this is an accurate estimate, and I appreciate that H.R. 12391 would modify these programs in certain respects which would operate to reduce costs somewhat. But it will still be a lot of money.

Not only that, but H.R. 12391 provides a new payment program. It would authorize a payment of $2.50 for each hundredweight of milk a dairyman reduced below his base production. This would cost an additional unknown hundreds of millions of dollars.

H.R. 12391 would cancel for 1963 the provision of permanent law, which reduces the 1963 corn support price to $1.05 a bushel and would permit the Secretary to set the 1963 price support level at any level he may choose between 65 and 90 percent of parity.

Similar upward adjustments may be made in the price support level for 1963 for other feed grains if H.R. 12391 is approved.

The enactment of H.R. 12391 at least raises the possibility that the Secretary would restore the level of price supoprt for wheat and dairy products to the unrealistic levels prevailing in 1961 that cost the taxpayer so heavily.

I do not know what will happen to this bill if it is approved by the House. But in the subsequent legislative process, it may be made much worse.

In the interests of all consumers and all taxpayers, I cannot vote for this raid on the U.S. Treasury. I doubt that in the long run this bill is good for farm people, even though they would be the beneficiaries of extremely generous payments from Uncle Sam.

I will suggest to the members of the Appropriations Committee that if this bill is enacted, the appropriation for reimbursing the Commodity Credit Corporation next year will be the largest ever.

A growing number of people seem to be convinced that the current level of taxation is a drag on the growth of the economy, and that tax reduction is necessary to provide incentives for investment and stimulus to employment. But how can we consider tax reduction and at the same time approve wasteful expenditures of the size proposed in H.R. 12391.

To be sure, the emergency feed grain and wheat program will involve some reduction in stocks of these commodities next year. But at what a price!

To be sure, the emergency feed grain and wheat programs involve an acreage retirement program.

But it would be hard to devise a more complicated or expensive acreage retirement program.

H.R. 12391 is a 1-year costly expedient.

I do not believe it is a good bill. I think it should be defeated.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, whenever a farm bill is under consideration we hear the perennial diatribe claiming farm programs are responsible for the high cost of living and that all should be blamed on the farmer. We hear it starting again today. I just wonder how many of these people ever did any shopping at the grocery store. Well, I did a little shopping and I want to show you what I bought.

First of all, I bought some corn meal. Here is a 5-pound package—it was a 5-pound package. I want to show you the price. It is 47 cents. A 5-pound bag of cornmeal for 47 cents [holding up package and pointing to price tag]. The corn in it would bring the producer less than 2 cents per pound.

Then I did a little more shopping and bought 5 pounds of wheat flour. I want to show you the price of that. It is 45 cents, for 5 pounds of wheat flour [holding up package and pointing to price tag]. So you see that while wheat costs about twice as much per pound as corn, you can buy 5 pounds of wheat flour cheaper than 5 pounds of corn meal. This shows that the price of the raw product is not automatically reflected in the retail price.

I also bought 5 pounds of sugar. You have seen all the news articles and heard all the speeches about the high cost of sugar. Even though the price established under the sugar program for sugar is about 6.4 cents per pound, or over twice as much as wheat and corn, the price of this 5-pound bag is only 5 cents more, or 53 cents. This indicates that the price of the raw product is not automatically reflected in retail prices. I suppose some would say, break your cat to use sugar.

I saw a few other items that I thought were of interest. I bought another 5-pound bag. This 5-pound bag costs 55 cents. That makes it about 20 percent higher than the cost of corn meal or wheat flour and 2 cents higher than the price of sugar. It must contain some luscious food to be so much higher in cost. Just what do you suppose this is? It is kitty litter—5 pounds of kitty litter. Let us see what it consists of. It says it is made out of clay. So one digs up clay, put 5 pounds of it in a bag and the public pays more for it than they do for corn, wheat, or sugar. The wheat flour cost 47 cents, the corn meal 47 cents, and the sugar 53 cents, but this clay cost 55 cents. It does not cost one much if one wants to eat grits or biscuits, it costs one at little more to buy sugar and be sweet, but it costs quite a bit more if one wants to scratch like a cat.

Then I discovered it costs one still more to live like a dog [holding up bag of dog meal and pointing to price tag]. Here is a 5-pound bag of dog meal and it costs 73 cents. So you see it costs the housewife more to buy food for the dogs than to feed her husband. I suppose some will say that some women like their dog better than their husband.

Well, I also bought another bag. This one contains only 3 pounds of material and costs 89 cents. It must be something real good to cost that much, something that has a really high price support. Well, it is birdseed. Three pounds of birdseed at 89 cents. It is nothing but cracked sunflower seed, a non-price-supported product.

You see in the case of these products I have shown you this morning, the price-supported articles are cheaper at retail than any of the others. It costs the least to eat cornbread or grits; it costs about the same to eat biscuits; it costs a little more to buy sugar and be sweet; it costs more yet to scratch like a cat; it costs almost 50 percent more to lead a dog's life and if one really wants to eat high on the hog, one can eat like a bird.

All this goes to show that the price one pays for a 5-pound bag in a store is not determined by the cost of the raw material in the bag or price-support laws. People who have alleged this must not have been shopping lately. Such talk is just diversionary hogwash that will stand up about like a piece of boiled spaghetti.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. NELSEN. Would it not be a fair conclusion to draw from your experiences that one just cannot afford to let the country go to the dogs?

Mr. SMITH of Iowa. That would be one of the conclusions. Another is that the grocer knows that the American housewife will pay from 50 to 99 cents for anything under a 5-pound bag.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield.

Mr. BEERMANN. I notice an article in the morning paper which states that the Secretary of Agriculture angrily criticized those who were against the farm bill last year. Just as cornmeal slipped out of the gentleman's bag would not the Secretary's attitude cause greater slippage among those supporting the bill this year?

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as one of those who voted against the bill that was up here for consideration a few weeks ago for reasons that the House seemed to think were adequate, I am supporting this rule and expect to vote for the bill. I am doing so for what I think is a very practical reason.

We have had some bills from the Committee on Agriculture that have come in here, and it is a sort of historic fact, I believe, that usually that committee is divided just about down the middle. After we defeated this bill a couple of weeks ago, the Committee on Agriculture took it back, gave it consideration, and modified it to meet the objections that the House had voiced in its previous vote. Then we were advised in the Rules Committee that all of the Members, with the exception of five on the minority side, voted to report that bill out.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. HOEVEN. I believe the gentleman will want to make a correction. There were three Members on the minority side and two on the majority side who voted against reporting the bill.

Mr. SMITH of Virginia. Five in that committee; and in view of the history of that committee, that is a right smart thing to do. If they could come within five votes of agreeing on a farm bill, we are making some progress on this very difficult problem, and we do have a very difficult problem. We have a problem that sooner or later we are going to have to cope with, and we are going to have to do something about. We have an election approaching. I do not think we ought to defeat this bill and turn our backs on this great problem and say that we are not going to do anything about it. How are you going to justify that?

Mr. Speaker, of course this bill is not a perfect one. I do not think there is a perfect answer to this whole problem. If there is, nobody has told me about it. We are going to have to struggle with this thing for a long time. But simply to shut your eyes and say, "No, we are not going to pass any legislation," and that is what this issue is going to be today, pass this bill or have no legislation at all, and turn your

backs on a problem that is costing the Government millions of dollars is not the thing to do. If you pass this bill, the result will be that it will go over to the other body. That body may or may not do something about it. But if they do something about it, it will be on the road to a conference where Members on both sides may sit down around the table and try with diligence and patience to do something about this problem.

What defeated the bill before, in my opinion, were the tight controls on feed grains which meant control over the production and maintenance of livestock. We were not ready for that. That has been eliminated. Now, you have got these two alternatives. If you do not pass this bill, you go back to the old bill of 1958, with unlimited production and price supports. That is what is costing all this money, and that is what you are going back to if you do not pass this bill, because I think this is the last chance you are going to have to do anything on this important subject during this Congress. And, if you defeat this bill, then nothing is going to happen.

The difference between this bill and the situation that will occur if you do not pass this bill—and I ask to be corrected if I am mistaken about it—if you do not pass this bill, you go back to unlimited production, with no controls over your acreage and with subsidies on the whole thing.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. It means price supports on unlimited production.

Mr. SMITH of Virginia. Yes; price supports on unlimited production. That is the phrase I was seeking and could not find.

I want to compare the two situations. If you do not pass this bill, you go back to 1958 with unlimited production and price supports. If you do pass this bill and it becomes law, then there will be two kinds of corn raisers. This program in this bill is entirely voluntary, and those who want to participate can participate by agreeing to the Government's program. And, in order to get that support, they have got to reduce their production by 20 percent of the average 1959–60 formula. In other words, you will accomplish at least a 20 percent reduction of this surplus on the control problem.

Now, the man who wants to be independent and does not want to go into the feed grain program does not have to. He can raise as much corn as he wants to and take a chance on what he can get for it. But, he does not get any Government subsidy. It seems to me that is at least a helpful approach to it. It eliminates the objections under which the bill was defeated before, and we at least continue to face the problem and express our willingness to meet with the other body and try to get a solution. That is the thing, it seems to me, that we ought to do.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Florida.

Mr. HALEY. May I say that the gentleman is making a very fine statement, but I think here is one thing that we are overlooking. Year after year we bring in a farm program that is going to cure all of the ills. And, we have many ills. But, year after year we see a continued piling up of surpluses in this country. We see things like the Billie Sol Estes case coming out of these programs. There are many of us who want to get at the roots of this problem and solve it. We realize we have a problem. But, we do not know where to turn or where to go. Certainly, the bills and the programs that have been presented to the Congress in previous years have done absolutely nothing other than continue a bad situation. I agree with the gentleman that we do have a problem, and I think the Congress wants to solve it. I think the people, and certainly the taxpayers who have been paying for these tremendous programs, want it solved. And, I think many Members of the Congress who want sincerely to do something about this have become more confused than ever each year because of promises that we have had time and time and time again. This does not solve the problem, and the gentleman knows it.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. ARENDS. I have listened with real interest to what the gentleman had to say in advocating that this program be continued. I hope that during the discussion of this bill and the amendments that will be offered, he will try to be of some assistance toward working out some of the inequities contained therein.

For instance, we use the base years of 1959–60, which years were placed in the bill by the chairman of the committee when the bill was before us for consideration in 1961. At the time there were many, many farmers who had increased their acreage to produce corn and thereby helped substantially to create surpluses. Those who received big base acreages were privileged in benefiting from such a program whereas, the good farmer who went along with sound soil conservation practices came out with a small acreage allotment and the end result is that the good farmer has been and is being penalized. In other words, this is unjust and so apparent that such a provision must come out of this bill if you want to be fair to all farmers. I hope the gentleman will give favorable consideration to the amendments which will be offered to the bill.

Mr. SMITH of Virginia. The only answer I can make to the gentleman is that I think we all want to be fair to the farmers, but we have got to get around to the point of being fair to the taxpayers. I do not think we can just walk away and leave this problem. We know we will meet with them in conference. We want to do something about it and not just let it go.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Speaker, I would like to make an announcement which I know will be of interest to the Members of the House.

Mr. Speaker, the teletype is carrying the news that a Nike-Zeus knocked down an ICBM that was fired across the Pacific Ocean. This is one of the greatest breakthroughs that has taken place in our Defense Establishment, because the country that can come first with a defensive weapon in the missile field is in the driver's seat.

The work of the Army in this area has been vindicated.

While this is only a test it bodes well for the program.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12391, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 1 hour, and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I personally would be very glad to vote right now without further discussion. I think the gentleman from Virginia [Mr. SMITH] has so ably presented this situation to the House that we could vote at this time without any further discussion. But, assuming that others will want to present their views, I take this time just to tell the House that this bill came out of the committee by a 29-to-5 vote.

I agree with the gentleman from Virginia [Mr. SMITH] that it is quite a record we have set in the Committee on Agriculture, which has been controversial a few times in the past. But here

today we have legislation that is presented by Republicans and Democrats. Fortunately, I do not think that partisan politics played any part in our deliberations as we developed this bill.

I think everybody knows that we must act now on farm legislation. The situation in agriculture now is intolerable. We have almost $9 billion invested in surplus commodities which we cannot dispose of and we cannot even give away.

After the previous farm bill, H.R. 11222, which represented months of labor in the Department of Agriculture and by our Committee on Agriculture, was recommitted, I introduced a bill, H.R. 12266. Our committee considered H.R. 12266 line by line and section by section. We amended it several times. Then I introduced a clean bill, which is now before the House, H.R. 12391.

On June 26, Mr. Chairman, in response to an inquiry from me, Secretary Freeman wrote me a letter, clearly indicating his views concerning the problems with which we are now dealing. I shall now read this letter to the House:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 26, 1962.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Agriculture's comments on H.R. 12266, which you introduced in the House on June 22. The major provisions of this bill would extend the 1961–62 emergency feed grain program and the 1962 wheat program to the 1963 crops of feed grains and wheat.

The President had proposed long-range programs, at the request of Congress, designed to support farm income, to reduce surpluses, to reduce costs, and to make it unnecessary to act on emergency legislation at each session of the Congress. This program would have reduced costs for wheat and feed grains about $1 billion a year for the next 4 years. The administration's proposals were generally contained in H.R. 11222.

There are two alternatives to the long-range programs of H.R. 11222. These would be a return to the pre-1961 programs for wheat and feed grains, or a continuation of the emergency programs as provided in H.R. 12266. Under the pre-1961 programs large surpluses of wheat and feed grains were built up, farm income dropped and the cost to the taxpayers rose.

Under the emergency feed grain programs and the 1962 wheat program, surpluses were reduced, farm income rose, and the cost of the programs was lessened. Feed grain stocks were reduced about 300 million bushels for the 1961 crop and there is every indication that a similar reduction will take place for the 1962 crop. It is expected that the wheat carryover will be reduced 150 million bushels as a result of the 1962 wheat program.

It is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly and less effective pre-1961 programs which would be the result if H.R. 12266 is not passed by the House.

The Bureau of the Budget advises that there is no objection to the presentation of this report.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

As you will note from this letter, the Secretary points out, in the concluding paragraph, that it is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly pre-1961 programs which would be the net result if H.R. 12266 is not passed by the House.

That is exactly the situation which would exist if this bill is defeated. We have been told that had the other bill been enacted we would have saved more than $1 billion a year. We were told that the bill we are now presenting will result in a net saving to the taxpayer of more than half a billion dollars a year. So we take the position that this bill is second best, and I hope it will be enacted. And I hope that it will be enacted without amendments. I say that because I know that our committee worked on it faithfully and diligently. We considered all aspects of the problems involved. We considered amendment after amendment. I would like this bill to pass the House as it is now presented. If we start amending it we will end up in another hassle and probably wind up with no program after the current program lapses.

Now I want to explain to the Members of the House why our committee tabled the Senate farm bill. This bill, which provides for controls on the surplus production of grains, was passed by the Senate by a four-vote margin. Our control bill was defeated here by a margin of 10 votes. I have been in this body long enough to know that there comes a time when we must be realistic. I realize that this Congress is in no humor to enact strict control legislation. So we are taking the next best step, and to avoid complications, to satisfy those who might suspect that we were trying to lead them into some sort of a parliamentary trap, I voted to table the Senate bill, not with the idea of giving offense to the Senate, because I agreed with most of the Senate bill, but I did that because I realized it was necessary if we were to obtain a favorable report on the bill which is now before the House.

We tabled that bill with the clear understanding that when this bill is enacted the Senate will be free, of course, to work its own will. Then when we go to conference the House conferees will be able to go to a free conference uninstructed other than to carry out as best we can the wishes of the House of Representatives, which I am certain all of us will try to do. You need not be afraid that we will try in any way to force through any strict control legislation on feed grains at this session of Congress.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. I understood the gentleman to say a moment ago that in considering this bill he hoped it might pass without amendment. I should like to refresh the gentleman's memory about the point I brought up in my discussion with the gentleman from Virginia [Mr. SMITH] a few minutes ago, with regard to changing the historical years 1959 and 1960. At the time of the passage of this bill originally I tried to put in a period of 5 years. At that time the gentleman said, and I have just reread his remarks, that I was looking objectively toward a good point that might well be considered, but that the time limitation precluded you from agreeing to an amendment like this. We have the time at this moment, ample time, until May of next year, to give consideration to changing the period of 1959–60 to 5 years, so there will be more equity among the corn farmers as to their allotment. So I would hope that when this amendment is offered the gentleman will look at it with more favor.

Mr. COOLEY. Of course the gentleman has a good point, an important point, but I am under the impression we have something in this provision now which takes care of the situation about which the gentleman complains. If it does not, of course, I am not suggesting that we ignore an amendment. If the gentleman has a good amendment, well prepared, of course we are willing to consider it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Some discretionary authority on the part of the Secretary may be in order, but this point, it seems to me, coming at this time, would create more confusion than it would clear up. We have operated for 2 years on the basis of a temporary law that we are in substance extending. Every farmer, no matter who he is, knows substantially what the program will be as far as he is concerned. If we start out now on an entirely different formula, you are going to have one farmer get a windfall and another take a cut that he thinks is not just, and he is not going to cooperate with this voluntary program. The bill does provide for adjustments where the Secertary finds they are necessary.

Mr. COOLEY. I think inequities are inherent in any program which is based entirely on histories, and that is what the situation is here.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. AVERY. There seems to be concern on our side of the aisle—I thought I had gone into this in my remarks under the rule—about the procedure of going into a possible conference. In order that we may clear that matter up and make it unmistakably clear, it is my understanding that should the House pass the bill, and I hope we do, it will go over to the other body to be considered as if they had taken no action in the field of agricultural legislation. We assume, I understand now, it would be referred to the Senate Committee on Agriculture and they would then work their will on the House bill or on amendments thereto.

Mr. COOLEY. Either that, or they could call up our bill and accept it, or agree to it with amendments.

Mr. AVERY. The important thing is that this cannot automatically go to conference as it would have, probably, had the House Committee on Agriculture not acted with wisdom and tabled the Senate bill.

Mr. COOLEY. That is right.

Mr. AVERY. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. In our appropriations subcommittee hearings this spring, Mr. Whitten asked the question of Mr. Freeman, "Just what were the results in relation to the feed grain program for 1961?" And Mr. Freeman brought out the fact that 25 million acres of feed grain lands were diverted to conservation purposes and therefore 800 million bushels of grain sorghum and corn, of which 685 million bushels were corn and 115 million bushels were grain sorghum, were not produced that would have otherwise been produced.

You will recall that a year ago last March when the voluntary feed grain bill was brought up on the floor of this House for the first time, it was approved by a margin of only seven votes. At that time the bill received the support of only four Republicans and I am proud that I was one of the four. Had we four voted against the bill it would have gone down to defeat on that day by one vote. Now I am pleased to note that we have several on my side of the aisle who are in favor of that voluntary feed grain program. I recall saying at that time, that there were some features of the bill which I did not like, but that it was better than nothing and in my opinion deserved to be given a trial to see what it would do toward controlling surpluses.

Consequently, I think we did do some good with this particular program in the last 2 years.

Mr. COOLEY. I agree with the gentleman.

Mr. ANDERSEN of Minnesota. It is a whole lot better, as the gentleman from Virginia [Mr. SMITH], said, to continue something that is doing some good rather than to have nothing at all.

Mr. COOLEY. This letter from the Secretary indicates a reduction of 300 million bushels in the stocks of feed grains. So we are making progress.

Mr. ANDERSEN of Minnesota. The point that disturbs me in this bill, Mr. Chairman, is the fact that you have reduced the possible protection of price support on corn, from 90 percent of the 3 years' average price, down to 80 percent. We have a bad enough situation as it is today so far as the price level of corn is concerned. We cannot produce corn in Iowa and Minnesota at less than $1 a bushel. In my opinion, Mr. COOLEY, reducing the basic price support level on corn is just poor business. It is too low as it is today. I do want to congratulate the gentleman for at least trying to do something in this bill.

Mr. COOLEY. I thank my colleague very much.

Mr. Chairman, since these sections have been handled by the chairmen of subcommittees, I will not take any more time, but will yield to some of the other members of the committee.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I want to point out that the Findley amendment does not become applicable in 1963 and does not reduce the price of the 1963 crop. It is applicable only in 1964 in the event we pass nothing else in the meantime.

Mr. HOEVEN. Mr. Chairman, I yield myself such time as I may require.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I appreciate the conciliatory atmosphere prevailing in the consideration of this legislation. I want to concur in what Chairman COOLEY said, that the Committee on Agriculture has tried desperately hard to present a bill to you in spite of the many handicaps that have confronted us in the past in trying to pass farm legislation. We are making an honest effort to be objective and to pass a positive farm program of some kind before Congress adjourns. We have completely disposed of the control features proposed in the bill which was defeated a few weeks ago. We therefore present a rather simple bill which for all practical purposes is a 1-year extension of the present feed grains program and a 1-year extension of the present wheat program. I regret very much that Secretary of Agriculture Freeman blew his top at his press conference yesterday when he sought to castigate the Republican Members of the Congress for not being objective, in presenting farm legislation.

According to the Washington Post, the Secretary of Agriculture is reported to have "angrily denounced the Republican Members of Congress for playing the narrowest, most partisan, and most bitter kind of politics with agriculture." His face turning white, his hands shaking, the Secretary told a crowded news conference that Republican opposition to his farm program constituted, and I quote, "the biggest piece of nonsense and contradiction that the mind of man ever conjured up." The entire article appearing in the Washington Post of July 19, 1962, is as follows:

ANGRY FREEMAN BLASTS GOP ON FARM POLITICS

(By Julius Duscha)

Secretary of Agriculture Orville L. Freeman angrily denounced Republican Members of Congress yesterday for "playing the narrowest, most partisan, most bitter kind of politics with agriculture."

His face turning white, his hands shaking, the Secretary told a crowded news conference that Republican opposition to his farm program constituted "the biggest piece of nonsense and contradictions that the mind of man ever conjured up."

Freeman's remarks were the angriest that have been made in public by a member of President Kennedy's Cabinet and obviously reflected the administration's frustrating relations with Congress.

The Secretary's outburst, in which he singled out House Republican Leader CHARLES A. HALLECK, of Indiana, for particularly scathing criticism, came on the eve of a critical House vote on temporary farm legislation. Freeman said HALLECK's position on farm legislation was "completely negative."

FUROR EXPECTED TODAY

It is expected that Freeman's statements, which were made at his first press conference in 10 weeks, will create a furor in the House today.

His denunciation of the Republicans also could imperil the legislation extending the wheat and feed-grain programs for another year.

ASSAILS INCONSISTENCY

Freeman refused to comment on the bill, which was drawn up by House leaders after consultation with him and after the defeat of the administration's farm program by four votes in the House last month. All of the Republican members voted against the program. The Senate approved the program in May.

The Secretary apparently still has some hope that parts of his program can be salvaged in a House-Senate conference committee and did not want to jeopardize those chances by publicly backing the temporary legislation.

Freeman said he was "not trying to create a political or campaign issue situation," but that he was prepared to "go to city folks just as much as I would go to the farm people" with his farm program during the fall congressional elections.

GIVE QUANTITY CONTROL

Freeman was particularly caustic in his criticism of what he called "the inconsistency" of the Republican position on farm legislation.

He said that the Republicans who "bitterly fought the feed-grain program" last year now "are clasping it to their breast."

On the one hand, Freeman continued, the Republicans "talk about regimentation, dictation, a czar" and then they vote for the sugar bill.

The Secretary declared that the sugar legislation, which was extended by Congress this month, was "the biggest piece of centralized regimentation in American agriculture."

The sugar program gives the Secretary authority to decide how much sugar will be grown in and imported into the United States each year.

Freeman is seeking similar authority to cut back the production of wheat, corn, sorghums and other feed grains. Cotton, tobacco and rice production is already rigidly restricted.

The Secretary went on to say that "parliamentary difficulties have complicated" the outlook for farm legislation.

Although he said that "the leadership of the House and the Senate couldn't have been more cooperative," he noted that the parliamentary position was something "we didn't need at this time."

The parliamentary hassle concerns the appointment of a conference committee to resolve differences between House and Senate farm bills.

VIEWS OF TWO SIDES

Supporters of the administration's program would like to have the temporary legislation to be voted on by the House today sent directly to a conference committee, where they think some of the Senate legislation could be saved.

Opponents of the administration's proposals want the Senate to consider the temporary bill as a separate piece of legislation. That would mean there would be little or no chance for enactment of any part of the administration's program.

The Secretary also was critical of a report issued on Sunday by the Committee for Econ-

nomic Development, a business organization.

The CED recommended the termination of all farm subsidy programs over a 5-year period and urged a one-third reduction in the number of American farmers during the same period. That would mean the movement of 2 million farmers out of agriculture.

"Rather than driving people out of rural America, which is the essence of the CED report," Freeman said, "our emphasis is to bring resources to rural America."

But when Freeman was asked why 48 Democratic Members of the House failed to support his farm program, his tone changed considerably from the way in which he denounced Republicans and criticized the CED.

"Well," Freeman said softly and rather matter-of-factly, "I think those Democrats should vote for this bill."

Mr. Chairman, all I want to say about the Secretary's outburst is that this is a very poor way to make friends and influence people. I am afraid that the unfortunate remarks made by the Secretary of Agriculture could well result in losing quite a number of votes on the minority side, and I would regret this very much.

The Secretary in his press conference also refused to state his position on the present farm bill. So there may be no doubt about his position I set out a letter which the Secretary addressed to Chairman COOLEY under date of June 26, 1962:

JUNE 26, 1962.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Agriculture's comments on H.R. 12266, which you introduced in the House on June 22. The major provisions of this bill would extend the 1961–62 emergency feed grain program and the 1962 wheat program to the 1963 crops of feed grains and wheat.

The President had proposed long-range programs, at the request of Congress, designed to support farm income, to reduce surpluses, to reduce costs, and to make it unnecessary to act on emergency legislation at each session of the Congress. This program would have reduced costs for wheat and feed grains about $1 billion a year for the next 4 years. The administration's proposals were generally contained in H.R. 11222.

There are two alternatives to the long-range programs of H.R. 11222. These would be a return to the pre-1961 programs for wheat and feed grains, or a continuation of the emergency programs as provided in H.R. 12266. Under the pre-1961 programs large surpluses of wheat and feed grains were built up, farm income dropped, and the cost to the taxpayers rose.

Under the emergency feed grain programs and the 1962 wheat programs, surpluses were reduced, farm income rose, and the cost of the programs was lessened. Feed grain stocks were reduced about 300 million bushels for the 1961 crop and there is every indication that a similar reduction will take place for the 1962 crop. It is expected that the wheat carryover will be reduced 150 million bushels as a result of the 1962 wheat program.

It is not possible at this time to make an accurate estimate of the results of these emergency programs as embodied in H.R. 12266 for an additional year. It is quite clear, however, that the adoption of these emergency programs for 1 more year would be preferable to a return to the more costly and less effective pre-1961 programs which would be the result if H.R. 12266 is not passed by the House.

The Bureau of the Budget advises that there is no objection to the presentation of this report.

Sincerely yours,

ORVILLE L. FREEMAN.

The Secretary of Agriculture, though he is reluctant to do so, has come to the conclusion that this bill is the best way out of a very perplexing and uncomfortable situation for the Secretary.

The bill under consideration is a compromise bill and about all than can be expected to be enacted into law at this session. The bill was reported out of committee with bipartisan support by a vote of 29 to 5. Let me say to my colleagues that out of the 14 Republicans on the Committee on Agriculture only 3 voted against reporting the bill.

Prior action taken by the House several weeks ago clearly indicates that the proposal to regiment and control our farm economy recommended by the administration earlier simply cannot become law. As further evidence of the resistance to this type of a control program may I call your attention to the fact that the House Committee on Agriculture laid S. 3225, the Senate control bill, on the table by a bipartisan vote of 23 to 12.

I am supporting this bill in its present form, believing it to be the best solution of a most perplexing problem. It is only temporary, and stopgap legislation as far as the feed grain and wheat sections of the bill are concerned. It is my hope that the bill will be held within bounds and that it will not be so amended as to make it unpalatable to some of us. Therefore, I serve notice that if the bill is so emasculated and revised as to make it unpalatable I reserve the right to withdraw my support of the legislation. I hope that this will not become necessary.

I believe it is the intention of our committee to review the entire farm program next year, including the act of 1949, the act of 1958, and all amendments thereto. I hope we can then work out a long-range program and that we can dispose of control features for all time. The present feed grain law is working. It has cut down on production, it has reduced the surplus, it has raised the farmers' income. And I am not going to weep about that.

This bill, H.R. 12391, is entitled the "Food and Agricultural Act of 1962." It actually represents the fourth Food and Agricultural Act of 1962. We started out with H.R. 10010, the administration farm bill. During committee consideration, a number of changes were made which included the following:

Deletion of the administration dairy control program which among other things called for the imprisonment in a Federal penitentiary for up to 1 year, or a $2,000 fine, or both, for any dairy farmer who failed to keep proper books and records as determined by the Secretary of Agriculture.

Other major provisions in the original bill which were rejected included a request by the Secretary for authority to purchase and condemn farmland including whole farms, a request to turn over to the United Nations U.S. funds and surplus farm commodities, a request to impose strict production controls on producers of turkeys and turkey hatching eggs, and prison terms for wheat farmers.

Later a clean bill, H.R. 11222, was introduced and after weeks of dispute it was reported by the committee by an 18 to 17 margin. That bill was supported by the administration and carried the mandatory feed grain plan along with a number of other extremely objectionable features. It was wisely rejected by the House on June 21 on a motion to recommit by a record vote of 215 to 205.

The next day, June 22, the chairman of the committee introduced another bill, H.R. 12266, which did not contain the mandatory feed-grain controls, the wheat certificate plan, or recreation authorities under title I.

After several weeks of continued consideration and after the adoption of some 18 amendments, the chairman then introduced H.R. 12391, the bill before us today. After continued consideration this bill was then approved with two committee amendments.

This bill before the House today differs from H.R. 11222, the bill killed by the House several weeks ago, in several major respects.

First. This bill contains no controls for feed grain farmers. The inequitable and unworkable administration plan has been rejected. On the contrary this bill extends the present feed grain program with certain modifications for 1 more year.

Second. This bill does not impose the long-disputed wheat certificate plan on the American farmer, taxpayer, and consumer. Instead it extends with certain modifications the present wheat program for 1 more year.

Third. This bill contains nothing on marketing orders.

Fourth. This bill has deleted recreational authority from the agricultural conservation payment program, the Bankhead-Jones Act amendments, and from the Small Watershed Act amendments.

Fifth. This bill does not contain any authority for the Secretary of Agriculture to go into the open market without prior appropriation of funds by Congress and purchase commodities for donation to needy people overseas as was proposed in H.R. 11222.

Sixth. This bill puts a termination date of June 30, 1964, on world school lunch programs.

Seventh. This bill does not contain any authority for the Farmers Home Administration to go into the sewer business.

Eighth. This bill authorizes the Secretary of Agriculture through the expanded authority under the ACP program to retire cropland now coming back into production from expiring conservation reserve contracts for periods of up to 10 years. Tree cover contracts could not extend beyond 5 years.

Ninth. This bill changes the basic law in regard to feed grains. The Agricultural Act of 1949, as amended by the Agricultural Act of 1958, established a permanent feed grain price support pro-

gram. Under this program corn was supported at 90 percent of the previous 3-year market price, but in no event at less than 65 percent of parity. In dollars and cents this means corn supports at approximately $1.05 per bushel.

The committee bill deletes the 65 percent of parity floor and establishes the 1964 level of support for corn at 80 percent of the previous 3-year market price. It is of course impossible to tell what that price will be in 1964 since 1963 will be one of the 3 years used in the formula.

In review then let us keep this in mind. This is not the same bill that the House rejected last month.

In several respects it is much closer to my proposed substitute to the ill-fated bill as described in the Washington Star of July 16, 1962, which said:

> In contrast to the bill the House defeated last month with the strictest controls ever requested for wheat and feed grains, the new bill would give House Republicans essentially what they wanted by extending present voluntary control programs for 1 year.

At this point, Mr. Chairman, I would like to say a further word about the Senate bill, S. 3225.

The Senate bill was referred to our committee after the motion to recommit H.R. 11222 prevailed. The Senate bill which cleared the Senate by only four votes embodied the bulk of the administration's recommendations for controls on feed grains and wheat.

Its provisions were duly considered and rejected by the House when H.R. 11222 was killed. It was also considered in the House Agriculture Committee and upon my motion it was duly and properly tabled by a record vote of 23 to 12. This action by our committee only solidified the previous position of the House in regard to the compulsory feed grain and wheat programs advocated by the administration.

The gentleman from North Carolina [Mr. COOLEY], the gentleman from Texas [Mr. POAGE], the gentleman from Virginia [Mr. ABBITT], the gentleman from Minnesota [Mr. QUIE], and myself, each reiterated this position to the Committee on Rules during our appearance there. I am happy to say that the Committe on Rules honored our committee position in rejecting for the debate on this bill a proposed rule which would have completely negated our committee's action in killing the Senate bill.

Now there is some concern, Mr. Chairman, about the future of this legislation in the other body. I cannot imagine this Congress admitting its failure to pass a farm bill. When and if H.R. 12391 goes to the other body, I am certain that there are procedural devices and parliamentary maneuvers available which will allow this bill along with the other body's views to ultimately find its way to the President's desk. Our committee action in tabling S. 3225 was in no way intended as an affront to the other body or to its great Committee on Agricuture and Forestry. It was and is intended only to express the view of this House that we did not want any part of the administration's plan for regimenting our feed grain and wheat farmers.

The balance of my remarks, Mr. Chairman, will be directed toward the proposed extension of the present feed grain program.

In 1960 I joined with a dozen and a half other Midwestern representatives in sponsoring feed grain legislation based on four cardinal principles: First, a voluntary program; second, land retirement; third, use of payment-in-kind; fourth, a market economy.

Early in 1961 in the proposed emergency feed grain program the administration embraced the bulk of my bill in proposing H.R. 4510, which finally became Public Law 87–5, the 1961 feed grain program. The vital difference between my original proposal and the administration's plan involved the fourth principle I just mentioned—a market economy. The administration asked for sweeping powers to break the economic backs of noncompliers. I opposed that feature vigorously in the committee and on the floor. When the Senate-House conference substantially limited the so-called dumping authority, I decided to give the farmer and the taxpayer a chance to reduce feed grains surplus and improve farm income and I voted for the conference report on the feed grain bill. I have consistently opposed this dumping authority and I proposed to limit it in my substitute which I offered on the floor during the debate on H.R. 11222 and later in the committee. Although it was rejected, I am supporting an extension of the feed grain program through 1963 because of program results obtained so far. In addition this extension will actually give the Secretary less dumping authority than he had under the original bill because the first 20 percent cut in acreage can be funded in cash.

Secretary Freeman has publicly praised the 1961 feed grain program as a smashing success. I cannot understand his reluctance now to wholeheartedly support its continuation for one more year.

The biggest question about this program of course is its cost and I would like to discuss that aspect for one moment. According to a recent study made by Iowa State University, the direct cost of the 1961 feed grain program was $824 million. This consisted of $782 million of payments to farmers and $42 million in administrative costs. In addition this report states that net farm income was increased by some $1 billion and the feed grain surplus reduced by 9.7 million tons.

Now a lot of people will say $782 million is a lot of money. I certainly recognize that fact, but let us just remember where that $782 million came from. It came from the feed grain stocks of CCC. It represents the value of surplus grain owned by the Government but paid to farmers as payment-in-kind. It is not new appropriated funds. It merely represents the value of an asset which the Government already owns. Ask yourself this question: What would CCC have done with $782 million worth of feed grains if it had not disposed of them in this fashion? I can tell you one thing. We would either have given this grain away through Public Law 480 foreign currency sales, donation, or barter, or we would still be paying interest, handling, and storage charges on it.

My point is just this: The $782 million payments for the 1961 feed grain program were funded by the sale of surplus feed grains. As long as we have this surplus—and I will be the first to agree it is unfortunate that we do have such a surplus—it only makes good sense that we use it to pay farmers for voluntarily reducing their acreage of corn and feed grains.

The cost of the 1963 extension cannot, of course, be measured at this time. It will depend on the degree of participation by farmers and upon weather. I would also point out that the payment rates under this bill have been reduced, thus injecting a lower cost factor in this regard and again I would emphasize the program "will be funded substantially by payment-in-kind from surplus CCC stocks."

Again I say this bill is about all that can be expected at this session of the Congress. It preserves the voluntary concept as against proposed controls and regimentation of our farmers. The choice should be self-evident.

Mr. Chairman, one of the leading farm publications in this country, the Farm Journal, in a recent editorial, says:

> On the defeat of his farm bill, President Kennedy said the country would now pay an extra billion dollars a year.

That refers to the omnibus farm bill defeated a few weeks ago. That figure is taken out of the air, and there is no basis for it whatsoever.

This is what the editor of the Farm Journal says:

> We doubt it very much. True, we may pay more storage and handling costs, but what about the cost of administering and policing an expanded system of compulsory controls on the individual farms of the country?

It would have taken an army of policemen to enforce the marketing quota provisions alone.

Continuing, the editor says:

> Moreover, some of whatever additional cost there is will be paid to farmers, and we refuse to weep over that. As we have pointed out before, they will not be paid for doing nothing but for doing something, laying up part of a productive plant in which they have got a lot of money invested. They are renting it to the Government in the public interest, and the Government should expect to pay the rent. Nor can we feel very sorry for the city man who helps dig up the rent money. The fact is farmers have done far more subsidizing of consumers than the other way around.
>
> Farmers, more than any other group, have stood between consumers and higher costs of living. The cost of living increased 15.1 percent from 1951 to 1961. Prices paid to farmers for food and fiber decreased 22.6 percent in the same 10 years. This dollar contribution by farmers to consumers would make $1 billion extra a year for a farm program look paltry—even if the billion-dollar extra cost were actually there.

The editor asks:

> What to do now?

And he answers by saying:

> Probably the best we can do in this session of Congress is extend the present wheat and feed-grain programs.

This is sound advice of the first order.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I was interested in what the gentleman had to say about the emergency or temporary program increasing farm incomes, reducing the surplus, and cutting down the cost of the Government. The figures will show that. The reason is that when the Government has less to take over, even at a little higher price, the cost to the Government is going to be much less. The initial take over cost is only a small part of the cost, because the continuing storage cost is the thing that makes this program really expensive after a few years.

Mr. HOEVEN. I appreciate the gentleman's remarks. He is entirely correct.

Mr. Chairman, I want to refer to the report issued by the Center for Agricultural and Economic Adjustment of Iowa State University in reference to the 1961 feed grain program.

This report shows that in 1961 some 25.2 million acres were retired. Some 42 percent of all farms growing corn and sorghum participated in the program. In my State of Iowa alone some 2,784,000 corn and sorghum acres were retired and 55.7 percent of the farmers participated. In this year's participation, over 60.2 percent of the farms participated and have signed up for the program. This year the participation is thus even higher than in 1961. In Iowa we are going to retire 3,429,000 corn and sorghum acres. Over 60.2 percent of the farms in Iowa are participating in the 1962 program.

Now, with this substantial acreage being retired, what do you suppose the cost of a feed grain program would be if those acres were all producing corn at $1.05 a bushel? That is certainly a question that should be considered in analyzing the cost features of this bill.

So, in summary, Mr. Chairman, I repeat that this bill represents a compromise. It has been tortuously worked out after many months of intensive debate both in the committee and in the House. Both the House and the Committee on Agriculture have rejected the administration proposal on feed grains and wheat, and we are faced now with a choice of either this legislation, imperfect though it may be in many respects, or a reversion to programs on wheat and feed grains which experience has shown us to be exceedingly costly.

Again I say the bill is almost all that can be expected at this session of the Congress. It preserves the voluntary concept as against proposed controls and regimentation of our farmers. The choice, in my book, is rather self-evident.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to take this time to commend the Committee on Agriculture of the House of Representatives for bringing out a bill which has taken much of their time and talent. This may not be the best bill that could be devised, but under present circumstances I can see where it will be almost an impossibility to bring out a better bill than this bill. Further, I want to compliment the gentleman from Iowa [Mr. HOEVEN], for his many hours of tortuous work, as he said, in perfecting a bill to the very best of his ability as the leader of the minority members of the committee. I am especially glad to see the amendments which were suggested by the Soil Conservation Service which are included in this bill. Those amendments are very necessary to a proper soil conservation program.

So, I shall support the bill.

Mr. HOEVEN. I thank the gentleman for his kind remarks.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I am sure that all the friends of American agriculture have been quite shocked to note that the Committee for Economic Development has recently declared that a mass movement of 2 million farmers into other occupations is needed if we are to solve our problems of surplus agricultural production. As you know, the majority of the members of our House Committee on Agriculture has proposed that instead of forcing 2 million farmers off the farms, we should try to help them keep their agricultural production in line with consumption, and to divert their unneeded croplands for the next several years into conservation practices so that this enriched soil will be available in years to come when inevitably we shall need to put this soil into cropland again. It has been estimated that each year we are losing 1 million acres of farmland because of the interstate highway program, and the expansion of our cities.

I hope that farmers all over America will realize what a tragic situation they face unless the friends of agriculture can present a more united front. The Commitee for Economic Development suggested in its recent report that if we could plow under 2 million farmers, that subsidies could be cut in half from the present annual level of more than $6 billion a year. These figures are intriguing, and although I have not had a chance to read the report in detail, I would assume that as usual, the critics of agriculture are counting in the $6 billion figure, many hundreds of millions of dollars that will be repaid, such as the loans to the Farmers Home Administration and to the REA. I would assume, also, that they are including the Public Law 480 funds, which should be charged to the cold war, since most of these funds are used to give our food to our allies to help us win the cold war. Certainly the estimate of $6 billion a year annual subsidies to agriculture should be reduced by half.

The Committee on Economic Development has suggested that over a 5-year period, we should cut farm labor by one-third, and over that period we should gradually reduce all of our price supports and land diversion payments so that finally at the end of 5 years, there would be no further Government subsidy. This might work out successfully if we could return to the never-never land of yesterday, when many other segments of the American industry received no subsidies. Labor has the right to bargain for a fair wage, and I certainly approve of that right. The merchant marine is subsidized in the amount of approximately one-half of the cost of the construction of their ships. Business is subsidized in the form of postal rates that are less than the cost of the services rendered. The housing industry is subsidized by the great guarantee programs—and let me emphasize I have approved of most of these programs. We could go further by pointing out that utilities are granted a right to have a fair profit. Many of the defense industries are guartnteed negotiated contracts, wherein there is no risk whatsoever; thus, making it possible for them to make reasonable profits. The trucking industry, we might point out, is subsidized by the building of highways. The airport transportation services are subsidized by the building of Federal Airports. The railroads, in great distress today, were once subsidized by the granting of valuable lands. The drainage of lands, flood control projects, the building of canals, all represent subsidies to various segments of the economy; but, Mr. Chairman, they all mean progress. They have meant that America has moved forward. These subsidies have promoted the progress of America. They have made it possible for people to work and to pay taxes and to provide for their families.

Yet, the Committee on Economic Development proposes, now, that the farmer, alone of all the great segments of industry, be permitted no Government programs, such as price support and land diversion payments to give him a reasonable chance to market his produce at fair prices and to solve his problems so as to remain in business.

Let me point out that I do not know whether or not the Committee on Economic Development's plan would produce a free market agriculture, but it would certainly leave agriculture bankrupt. Competent experts estimate that farm income would be cut by one-third or more. Let me point out, also, that this plan, which would cut the farm labor force from 5½ million to 3½ million, at about 400,000 to 500,000 a year, would work further havoc with the problems of unemployment that we have at the present time. Labor leaders have constantly asked us in the Committee on Agriculture to keep our farmers on the farm if we possibly can, and I submit that to house those who leave the farm, to find jobs for them that just cannot be found, would be far more costly to the American economic and social structure than to try, with our present farm programs, to keep them on the farm. I maintain that we simply cannot make such a drastic cut in the numbers of farm people without very negative social and political consequences.

I also want to suggest that taking 2 million people off of the farm in the next

5 years would mean the end of many hundreds of agricultural communities throughout this Nation who are absolutely dependent upon agriculture. Many of these towns representing a total population of from 40 to 50 million people. Mr. Chairman, although having difficulties, have been able to survive, largely because there are still a sizable number of farmers who buy their seeds, fertilizer, tractors, other equipment, gasoline, electrical services, from nearby stores—thus making possible the continuance of many business establishments supporting hundreds of small communities.

Another point in the Committee on Economic Development's report with which I find myself in disagreement is their contention that low prices will cause acreage reduction and thereby reduced production. It has been my opinion that, whenever a farmer has to spend the money for his land and his capital and his labor, he finds it absolutely necessary to increase output even farther when prices are lower.

I hope the farmers of America will read the adaptive program for agriculture, as suggested by the Committee on Economic Development. I hope they will understand that certainly we have difficulties with production control, but that the pattern that we have followed for years in trying to help our farmers through various opportunities to keep their production in line with consumption, holds out far more hope for agriculture and for the Nation than the destructive programs recommended by the Committee on Economic Development. I just simply do not believe that the nonfarm economy can take care of the millions of persons that would be added to the labor force by the rapidly contracting agriculture. I believe that 45 to 50 million rural and nonfarm people in smaller communities across the country, would be in a state of depression if we adopted this radical program. I believe property prices on farms would be radically decreased, and I believe, in short, that this proposed program would bring ruin on American agriculture.

Now, today, Mr. Chairman, we are discussing H.R. 12391. Title I, concerning land-use adjustment, has an amendment added by the committee which we hope will answer the objections that many of our friends engaged in forestry have had. This amendment, beginning on line 24, page 2, of the bill, provides, in essence, that the only lands, for the purpose of conserving and developing soil, water, forest and wildlife resources that can be used, are those regularly used in the production of crops, including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act.

Title II concerns some minor amendments to the Agricultural Trade Development and Assistance Act of 1954, and I do not believe this title is controversial.

Title III provides substantially the same voluntary program for wheat and feed grains that we have at the present time, and includes a voluntary program for the reduction of dairy products. Title IV of the bill has some minor provisions concerning the Farmers Home Administration.

Altogether, this bill is just about 38 pages, which the members of the Committee on Agriculture will realize is less than half the number of pages of the original farm bill.

Mr. Chairman, I do not have a great deal of enthusiasm for this bill, because I think it inevitably postpones the day of reckoning when we shall have to do something about the terrific accumulation of feed grains and wheat in the warehouses of this country. This program is better than no program at all. Disraeli once said it is easier to be critical than correct. Those of us who take the position we are not going to vote for any farm program, should ponder what will happen if you do not vote for this particular bill. It will mean that next year there will be unlimited production of corn at a guaranteed price support of not less than 65 percent of parity. That means, to be specific, that without this bill, there will be, in my opinion, hundreds of millions of bushels more feed grain in the warehouses of America by the end of next year, representing a great threat to our livestock industry in particular.

There is one very important committee amendment to section 1 of the bill, which states, in effect, that if no further agricultural legislation is passed, beginning in 1964, farmers will receive 80 percent of the 3-year average for their corn, with no fixed floor. The purpose of this amendment I think will be to force action next year on this terrible problem of the great number of wheat and feed grains.

Let me repeat again, as I have before, Mr. Chairman, that I do not want any segment of American agriculture controlled by needless Government regulations. If I had my way, I would have no Government regulations. However, I realize, and I believe every farmer in America realizes, that a program of guaranteed fixed high price supports, without a program of production control, is not fair to the taxpayer, and eventually is not fair to the farmer, himself. Now the bill which we are considering, has voluntary controls, with a fixed guaranteed price support. It means that those who cooperate will make it possible for those who do not cooperate, to receive a much better price for their product because with the Government buying excess stocks, naturally it would make better prices for all producers. The voluntary program last year and this year, such as the one proposed for next year, has done some good, of course. In fact, it has done a substantial amount of good. The overall cost has been much less than what it would have been without the program. The cost to the American taxpayer will be less under this program than if we did not have any program, and I think the overall benefits to the American farmers will be more under this program than if we had no program.

I want to emphasize in this talk, however, Mr. Chairman, something entirely different from what I have so far been discussing. I think here in America we ought to realize the stake we have in American agriculture and the fact that this marvelous productive efficiency of American agriculture today is a direct product of our farm programs that we have had for the past number of years.

We should consider the blessings of American agriculture. You hear a lot of talk about the agriculture mess. If it had not been for our farm programs, believe me, agriculture would indeed be in a sorry, tragic mess. American agriculture today is a blessing because of the efficiency of the American farmer.

One American farmer today can produce enough food and fiber for 26 other people. In the past 40 years crop production has increased 65 percent. The output per breeding animal is 88 percent higher. One hour of farm labor today produces four times as much food and fiber as it did 40 years ago.

The efficiency of the farmer helps the American housewife get the best food bargain in the world, and yet the farmer does not receive his fair share of the food dollar. Today he gets only about 39 cents of the food dollar. I sometimes think that if he could only get half of the food dollar, his problems would largely be solved.

American agriculture is a great blessing, Mr. Chairman, because it provides jobs for so many people.

Now I hope many of you won't get provoked with me when I say that sometimes, as a member of the Committee on Agriculture, I think the laws we pass help everybody but the farmer. Just let me give you an example: Despite the exodus of farmers from the farms, we still have about 7.4 million people working on the farms. But did you realize that we have over twice that many people who make their living because of American agriculture? Do you know that we estimate there are 16 million people in addition to the 7.4 million working on the farms who are dependent on American agriculture for their livelihood? That means that in private employment, 4 out of every 10 people working are dependent on agriculture. These are the people who supply farmers; who make, ship, and sell milking machines, tractors, fencing, building materials, combines; who generate and transmit electricity; who refine petroleum and make tires. These are the people who process, transport, manufacture, and market farm products. So if you hear great criticism about the farm programs, and how silly some of them may seem to some people, please remind your listener that it isn't an easy job to keep a great industry like this moving with the tremendous production that we have and with the problems of getting rid of our surpluses. Stress the fact that 4 out of every 10 in private employment in America are dependent on agriculture for their livelihood.

Let us look at it also in another way. I have said that agriculture is a blessing because it creates so many jobs for other people. Consider the importance of farmers as customers of business and industry. The farmers of America buy $26 billion worth of material every year—

goods and services. They spend another $15 billion every year on living expenses. They spend from $2½ to $3 billion every year on motor vehicles and equipment and they spend $1.5 billion a year for fertilizer and lime, and they ought to spend $3 billion a year. Millions of jobs are created by these and other farm purchases. So remember now—let me repeat again—that in addition to the 7.4 million farmers on the farms, you have millions more people who make the tractors, the automobiles, all the other machinery, who produce the fertilizer, the seeds, generate the electricity for the farmer, and who distribute the goods of the farmer.

Why, in New York City it costs as much to take watermelons across the river and put them in the city as the farmer gets for them. Did you know that? My farmers will ship some watermelons to New York City and they won't get as much for the watermelons as it costs for transporting those watermelons across the river to the markets. I am not fussing but that is an example of one of the terriffic problems we have in American agriculture. Again, I say American agriculture is a blessing because it creates so many jobs for so many people.

Mr. Chairman, American agriculture is a great blessing because it conserves our natural resources. Civilizations of the past have fallen because they have not taken care of their soil, they have not taken care of their forests, they have neglected their streams. Let me remind you that many of these agricultural programs look for the morrow. They are protecting our forests and our streams and our soil for the great conservation and watershed programs. They are giivng individual farmers a better opportunity to discharge properly his obligation as a steward of the soil.

Let me repeat, again, that the time is going to come when we are going to need to take the soil out from the conservation practices of planting trees and cover vegetation, and to put these lands back again into crop land.

So, Mr. Chairman, I say we should look on the positive side of American agriculture. We are looking here today at just one troublesome facet of this problem—how to better control within the American system of free enterprise, the troublesome surpluses of feed grain and dairy production. There are many, many other farm programs that are working most satisfactorily—the tobacco, peanut, cotton and rice programs have been very successful. The House just recently passed a program to make possible the profitable production of more sugarcane and more sugarbeets in America. This basic program was approved by the House by an overwhelming majority. Let us not count our problems to such an extent that we fail to see our blessings. Let us continue to be fair to the American farmer by making it possible for him to achieve life, liberty and the pursuit of happiness as other segments of our economy.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I want to compliment the gentleman on calling, first, to the attention of the House that that $6 billion figure is entirely erroneous. It is too bad that otherwise well-qualified people will put any such information abroad.

Secondly, I want to congratulate the gentleman for bringing out, which is the fact, that if we have any such suggestion as this proposed CED program for agriculture it will simply bankrupt agriculture.

Mr. MATTHEWS. I want to thank the distinguished gentleman. As a member of the House Committee on Appropriations dealing with agriculture I know the gentleman knows whereof he is talking.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the distinguished gentleman from Minnesota.

Mr. QUIE. When the gentleman objects to the CED report advocating moving 2 million farmers off the farm, this is the same objection, is it not, that the farmers I know had to the ABCD plan last January when Secretary Freeman planned to do the same thing with his plan?

Mr. MATTHEWS. I do not believe that the Secretary had planned getting the people off the farm. He proposed a plan to try to take the 50 million acres of cropland that we had to reduce because we were growing things that we did not need on these lands and try to divert those lands into some constructive use so people could stay on the farm.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in support of this bill. I ask you, does this sound as though I am playing the "narrowest, the most partisan, the most bitter kind of politics with agriculture"? This was Secretary Freeman's partisan and bitter remark about Republicans yesterday. I rise in support of this legislation because I think we need to have it passed right now.

Also I point out that further down in the newspaper article that I have in my hand, quoting the comment of Mr. Freeman, he stated that he refused to comment on this bill. I ask you, what would happen if the members of the Committee on Agriculture had to conduct themselves in this way? He indicts and convicts himself.

I want to point out that the gentleman from Iowa, Congressman HOEVEN, the gentleman from North Carolina, Congressman COOLEY; the gentleman from Texas, Congressman POAGE, and others were willing, after the defeat of the agriculture bill last month, to sit down and work together. That is what we did. We had differences of opinion. I do not think any of us agree completely with this bill, but we support it. We offered amendments. Some of our amendments were carried, some were lost. Yet we came out of this committee action with perhaps a stronger vote for a major piece of farm legislation than we have seen in many years. I want to commend my colleagues for that action.

What happens here in the bill that is before us? We have extended the emergency wheat and emergency feed grain programs for another year. We have made some changes that I think have improved it. The Democratic members of the committee did not get all they wanted, neither did we on the Republican side. Even though a major portion of that part of the bill I agree with and have in the past, there is one part of the emergency feed grain program which I disagree with, but I support this legislation even so and want it to pass, and that is the authority that the Secretary of Agriculture has to manipulate the market price. This is the reason why many Republicans did not support the legislation last year. I supported this bill last year after old section 3 was removed in conference. Old section 3 would have permitted the Secretary of Agriculture to dump all our surpluses on the market. The law now and this bill only permits the Secretary to dispose of the amount of grain which the farmers would have disposed of, if the Secretary was not permitted to market their certificates for them. I want to point it out to you who might still feel so strongly about it and might want to vote against it, that if the voluntary feed grain program is going to work, the noncompliers cannot get the same amount of benefit from the program as the compliers; either we could pay the compliers a little bit more than the noncompliers in lieu of price supports or else the Secretary is given the authority as in this bill to hold the market price down for the noncompliers. That is what we have before us in this legislation. Even though the committee did not agree with the position the ranking Republican on the committee and I have taken in this regard, we take it with good grace because what we believe ought to be in an emergency feed grain program is here, that is, first, the voluntary retirement of acres, and second, price support contingent on compliance with the program. Those are strong enough reasons for me to support the legislation.

It has been pointed out by letter and by Members on the floor that these emergency programs extended for another year are going to cost $2.4 billion. I say it is going to cost some money to reduce surpluses, and I would like to quote, from the August Farm Journal's editorial page. It says:

> Moreover, some of whatever additional costs there is will be paid to farmers, and we refuse to weep over that. As we've pointed out before, they won't be paid "for doing nothing," but for doing something—laying up part of a productive plant in which they've got a lot of money invested. They're renting it to the Government in the public interest, and the Government should expect to pay the rent.

So in this regard very little of this money will go into storage for those who are storing grains. Most of it is going to go into the hands of farmers. These diversion payments amounting last year to $780 million went into the hands of farmers.

There is one portion of the bill that Republicans, I think, would like in title I. We have supported for a long time the voluntary long-range land retirement program, and that is in this bill. Some people do not like the idea that there would be land retirement money going for recreation purposes. That is no longer in the bill. We even amended the bill further in committee to make it abundantly clear that present conservation reserve contracts could be extended, that the Secretary of Agriculture has authority to extend these contracts. To make it clear, I would like to ask the chairman of the committee, or if he is not here, the vice chairman of the committee. Is it not true that all of the conservation reserve contracts, covering the 27 million acres, could be extended if the Secretary felt that the contract was such that he could re-sign or make adjustments in the contracts?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. POAGE. I think it is perfectly clear the purpose of that clause, beginning on line 2, page 3, which reads, "and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act," is to make it clear that the authority of the Secretary to enter into agreements under section 101 is applicable to lands which were formerly covered by conservation reserve contracts even though the contract prohibits their regular use in the production of crops. This authority should also be applicable to similar lands covered by the Great Plains program contracts.

Mr. QUIE. I thank the gentleman.

Now, there are other individuals who want to retire their land and put it into the conservation reserve. The language we added to this bill, specifying that this shall be land that has been regularly used in the production of crops, was also the same type of language used in the old conservation reserve. This would permit, would it not, that new farms be diverted; that is, cultivated land on those farms may be idled.

Mr. POAGE. I think it is perfectly clear that putting in new farms is permissible under the provisions of this act; yes, sir.

Mr. QUIE. And also, as I recall, when the Secretary of Agriculture was before us, in an answer to a question by the gentleman from Iowa, Congressman HOEVEN, whether whole farms could be put into this program, his answer was yes. This has not been changed?

Mr. POAGE. No, it has not been changed. There is no emphasis on whole farms, but there is no prohibition against whole farms.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. COLLIER. Do I understand the gentleman from Minnesota to say that this program would cost $2,400 million?

Mr. QUIE. I did not say it, but I said that other people on the floor have said that.

Mr. HOEVEN. I made no such statement.

Mr. COLLIER. I am asking to try to find out whether this figure of $2,400 million is correct. I am trying to reconcile it with the figures which the previous speaker referred to, also as to the total appropriation bill which, I understand, will be $5,477 million which will be presented next week. I just want to get this in perspective, as a boy from the city.

Mr. QUIE. Well, you have to ask the chairman of the committee or the vice chairman of the committee for that answer in regard to the budget. But so far as I can see, I have looked at the cost of this program and I cannot see where this program would cost any more than the A–B–C–D program, or whatever it was, the program that we defeated the other day. In fact, I think it would cost less than the defeated mandatory bill. It would be less expensive than the program that was budgeted.

Mr. COLLIER. Would I be considered too inquisitive, if I were to ask someone what this program would cost roughly?

Mr. QUIE. The estimate is, according to the quotation as to what Secretary Freeman is reported to have said, $2.4 billion.

Mr. COLLIER. Then that is thoroughly understood for the first time—it is $2.4 billion?

Mr. QUIE. Yes.

Mr. COLLIER. I thank the gentleman.

Mr. QUIE. Mr. Chairman, since I do not have much time left, I would like to conclude my statement and then I will be glad to yield further to my colleagues.

I also want to point out that you can just look back in the RECORD and see the words that our chairman stated here on the floor of the House. If any of you are worried that we might go to conference an accept a mandatory control plan which the Senate passed the other day and which our committee by vote of practically 2 to 1 tabled, I want to say that this will not happen. We have the assurance on both sides of the aisle, working again cooperatively, that this kind of legislation with voluntary controls will be enacted into law if any bill is enacted into law this year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Chairman, I rise in support of the legislation, not so much because of the provisions for wheat and feed grains which have been largely under discussion previously, but because of the section which involves dairy products. Representing a major dairy section in upstate New York, I have been greatly concerned with the problem faced by our dairy farmers. They are confronted with a serious cut in income in the year 1962 for two reasons: One, because of a reduction in price supports for milk which were of course mandated to Secretary Freeman under the law, but for which for some reason or other he seems to be getting all the blame; and secondly, because of the serious drought we have been suffering this summer in upstate New York and which has created a sharp reduction in milk production and a corresponding drop in income for our dairy farmers. I think this same condition affects farmers in other districts as well as mine. They need some help in increasing their income and in meeting the serious economic squeeze the dairy farmers have always been in.

Mr. Chairman, continuing this concern for the dairy farmers of my own State of New York and the dairy farmers of the Nation for that matter, I intend to offer under the 5-minute rule to this bill the same amendment I offered, but without having an opportunity to make any detailed explanation of it, at the time the original farm bill was before the House last month. This time I hope it will not be necessary to vote on my amendment without any opportunity being given to discuss it.

This amendment would simply legalize the compensatory payment features of our milk marketing orders that have been in effect for so many years but which were stricken down by the Supreme Court on the 4th of June, not because they were unconsitutional, but because they exceeded the legal authority contained in the original agricultural marketing act. My amendment, which is contained specifically in the bill H.R. 12118, which I introduced some time ago, would add enough legal wording to the original Agricultural Marketing Act to make these compensatory payments, which have been in effect for so long, legally possible and proper.

Let me read, Mr. Chairman, if I may, an article written by Mr. Richard P. Powers of the Associated Press which appeared in the New York Times of Sunday, July 8, and in a number of other newspapers, including the July 10 issue of the Oneonta Star. The article reads as follows:

AGRICULTURE DEPARTMENT OFFICIAL WARNS MILK ORDERS PERILED

(By Richard P. Powers)

WASHINGTON.—There is definite danger that the entire system of orders which regulate marketing of milk in 83 metropolitan areas of the Nation may fall apart as a result of a June 4 Supreme Court decision.

This is the view of an Agriculture Department official, who added "there is a tremendous failure on the part of the dairy farmer to see the significance of the Court's ruling."

It is his opinion that, unless Congress corrects the situation with new legislation, the whole complicated business of regulating milk handling in the 83 metropolitan areas may be junked. This will have a major effect on the entire milk industry.

And there is no assurance that Congress will so act.

"Congress could legislate what was invalidated by the Court," said the official, who asked that he not be named.

"But for Congress to do this, it must be made clear to Congress that these are not trade barriers, but would put competitive milk handlers on a par."

The situation was brought about by the Supreme Court's 6 to 1 decision in favor of the Lehigh Valley Co-op of Lehigh Valley, Pa., and the Suncrest Dairy of Pennsylvania which have been selling milk in the New York and New Jersey areas.

These two firms contended the department had no right to force them as outsiders to pay money into a common pool; this pool is divided among farmers who normally supply milk to those areas. The Court upheld the firms.

Under milk marketing orders, the Secretary of Agriculture fixes the prices that handlers pay for the milk they buy. This money is passed on to farmers in proportion to the amount of milk they produce. But the department forces outsiders to make compensatory payments to keep them from undermining the market. The Court said this is illegal.

Secretary Orville L. Freeman has not announced what action he will take to counter this threat to the entire system of milk marketing orders, which handle about 45 percent of the milk marketed over the Nation as whole milk.

He has these choices: (1) Institute new regulations which seek to meet the Court's objections and still keep the marketing orders in effect or (2) seek new legislation.

The Department official said that as a practical matter there is no chance that Congress will act this year on the complex milk situation. If that is so, the Secretary will have to take administrative action in the interim if he wants to keep the marketing orders in effect.

The Department has requested those interested in the situation to submit proposals for amending the New York-New Jersey order by July 16. The Department later will conduct a public hearing before making a decision on just what to do.

Asked what the effect would be if the entire system of milk marketing orders should be scrapped as a result of the Court's ruling, the Department official replied:

"The immediate effect would be a drop in milk prices. This would tend to eliminate the marginal dairy producer and milk handler. Then, as shortages of milk appeared, prices would go back up, inducing increased production."

It is likely that, if the milk marketing orders should be eliminated, the administration would again try to put in its system of supply management—which would mean quotas for individual milk producers.

Congress earlier this year disregarded requests by both President Kennedy and Freeman instituting the quota system for dairy farmers. Milk production has increased during the last 18 months while consumption has declined to some degree.

The result has been that the Commodity Credit Corporation during that period has bought up and now owns large stocks of butter, cheese, and dried milk in its price support operations. This support program is expected to cost the Government more than a half billion dollars during the current marketing year.

The official said that it is likely there will be many court actions as a result of the Supreme Court ruling. It is possible, he said, that claims may be made in the individual milk marketing areas for repayment of the compensatory payments that have been made by outside suppliers of milk.

It is expected, however, that the Department will seek to institute some new regulations that will keep the system intact at least until it has a chance to ask Congress for specific action.

Mr. Chairman, now it may be that the views of this anonymous official of the Department of Agriculture did not find acceptance at the top of the Department, but this is the fellow who really knows what he is talking about when it comes to milk. Mr. Chairman, my amendment would simply do what this Agriculture Department official says should be done. I hope it will be supported on a nonpartisan basis because it will also help farmers in districts represented by Members on the Republican side of the aisle from New York State and elsewhere who have felt the impact of this unfortunate Supreme Court decision.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield.

Mr. GOODELL. Mr. Chairman, I intend to support the gentleman's amendment but I would like to ask the gentleman if he is aware at this stage what the status of the Secretary of Agriculture's review of this matter is in the direction of further administrative relief?

Mr. STRATTON. There has been one administrative action taken by the Secretary and that is to suspend the optional feature of the compensatory payment arrangement. The trouble with that kind of administrative action is it may be subject to the same kind of invalidation by the Supreme Court, since the whole matter is still in the courts. What we need is legislative rather than administrative action. Administrative action by itself just will not succeed. And so, Mr. Chairman, my amendment will give us an opportunity to take the legislative action which is really necessary. And it should be clear to all of us who represent dairy farming districts, that either we take this legislative action today as a part of this farm bill, or else we take no legislative action this year. But action coming next year, Mr. Chairman, could well come too late, and I hope we will not gamble with the welfare of our dairy farmers in the great Northeast.

(Mr. QUIE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. QUIE. Mr. Chairman, I shall object to the amendment of the gentleman from New York [Mr. STRATTON] when he offers it. This amendment was defeated last month when it was offered to the Kennedy-Freeman farm bill. No hearings have been held on the amendment.

Federal milk-marketing orders are an extremely complicated procedure which needs to be studied in great depth before an adequate decision can be made. I should point out that the support for the amendment of the gentleman from New York comes only from the State of New York and I would judge that it is limited pretty much to the one cooperative in New York, or at least the New York-New Jersey order.

I would like to point out, for the benefit of the House, that two of the most influential organizations—who represent both the producers and the processors; namely, the National Milk Producers Federation and the National Creamery Association, oppose the Stratton amendment. Neither group finds that the Supreme Court decision either harmed Federal milk orders or harmed the farmers who are under the Federal milk orders. Only 23 of the 81 Fedeal milk-marketing orders provide for compensatory payments.

If anything is going to be done in this regard, it ought to be aired thoroughly in committee. I think that it is extremely unwise for the House to reverse a Supreme Court decision. A decision, I might add, which I feel should have been made long ago. For the interest of the House, I will again insert a statement by Mr. E. M. Norton, executive secretary of the National Milk Producers Federation as it appeared in the National Milk Pictorial, the monthly magazine of the organization:

It is not surprising that the recent decision of the U.S. Supreme Court pertaining to Federal milk-marketing orders stirred up a good deal of comment and conjecture. The decision was directed toward certain compensatory payment provisions exemplified by those in the New York-New Jersey market, highlighted in the Lehigh Valley case. The Court ruled these invalid.

The decision came in the aftermath of a previous fallout of public and private discussion resulting from publicity on the Stalker case, the Nourse committee report on Federal orders, and several recent Court decisions which were adverse to the U.S. Department of Agriculture. All of this discussion, digested superficially, may have led many to the conclusions that the Federal milk-marketing order program is staggering against the ropes.

The National Milk Producers Federation does not hold this view. Neither does it believe that the recent Supreme Court decision will weaken the program.

The recent decision is one of many handed down through the years. Each has been important in determining how Federal milk-marketing orders may be used, and to what purpose. The current decision will serve, as have others in the past, to direct the course of the program toward more certain and definite goals.

The U.S. Supreme Court made law when it ruled out one type of compensatory payments and other provisions of the order were in no way ruled out by the Court.

This is not to say that the Department of Agriculture may have new administrative problems to face or new techniques to develop as a result of the decision. It may be required to meet more litigation on points at issue that relate to the decision.

This is in accordance with Government procedure. The Congress passes a law and the courts interpret the law. They determine the legality of the statutes and the procedures of the administrators in carrying them out. To this extent the courts as well as the Congress make law and they make law in a very specific sort of way.

The Federal order program has been before the courts many times. Furthermore, it has served a vital purpose under rapidly changing economic conditions prevailing in the dairy industry over a 30-year period. In spite of the inherent problems arising from varied and changing economic and political situations—and the decisions of the courts—the administration of the program has been forceful, eminently fair, and equitable. The Federal milk-marketing program has proved to be one of the most used tools to farmers in stabilizing farm markets and farm prices.

I will also bring to the attention of my colleagues in the House a statement by Mr. Otie Reed, executive secretary

of the National Creamery Association, from a letter of July 1 of this year:

1. Compensatory payments in New York-New Jersey order invalidated by U.S. Supreme Court: In a special letter to our members dated June 13, 1962, we described the decision of the U.S. Supreme Court rendered June 4, 1962, which invalidated the compensatory payment provision in the New York-New Jersey milk-marketing order and, presumably, in other orders, some 23 in number, with similar provisions. Of course, the decision raised very serious questions as to the legality of any type of compensatory payment in Federal orders.

Although the decision caused considerable consternation in many milk-marketing areas, it seems reasonable to believe that the first fears that the decision would wreck the marketing order system are now subsiding.

The position of National Creameries Association in this matter has been well known for many years. We have always believed these compensatory payments were illegal; were very unsound marketing devices, used primarily to implement limitation of entry of qualified milk into milk markets; and, in general, among other things, helped set the structure of markets operating under Federal orders in a monopoloid mold.

Further, we have not considered compensatory payments necessary for the maintenance of the Federal order system and we think that, far from destroying the system, the decision in the long run, if properly implemented, will in fact have contributed materially to a more efficient and better working order of the system.

During the debate on the agricultural bill in the House last week, Representative STRATTON, of New York, proposed an amendment to the agricultural bill which would have legalized compensatory payments. This proposed amendment was defeated on a voice vote.

Announcements from the Department of Agriculture indicate that Secretary Freeman has set up a committee of persons associated with the New York-New Jersey marketing order to consider the results of the decision upon that marketing order and possible action that might be instituted.

The appointment of such a committee is, of course, entirely proper, inasmuch as the New York-New Jersey marketing order was the direct subject of the decision.

Nevertheless, we would remind the Department of Agriculture that there is a Supreme Court decision now on the books invalidating at least one type of compensatory payment. This seems to us to make it incumbent upon the Department of Agriculture to set its administrative procedure in motion to bring its fluid milk orders into conformity with the Supreme Court decision as soon as this can reasonably be accomplished. We would further note that the interest in modifications of the compensatory payment system by the U.S. Department of Agriculture extends far beyond fluid milk order markets and in fact encompasses the whole of the dairy industry to a greater of lesser degree. It would therefore seem entirely reasonable for the Department of Agriculture to solicit comments from other segments of the industry in connection with this matter, in addition to the fluid milk groups.

These two statements, as well as many others which I could supply from dairy leaders around the country, show how dangerous it would be for the House to adopt the Stratton amendment today and really demonstrate the fact that there is virtually no support for this amendment.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, I approach the well of the House today with less concern than was experienced in the House a short time ago when we were involved in one of the most bitter controversies we have had during this session of the Congress.

I want to pay tribute to the members of the Committee on Agriculture on both sides of the aisle who after that rather unfortunate experience went back, got together and worked in good faith and harmony, almost complete harmony, to bring out a bill that will be reasonably satisfactory to everyone. I say "reasonably satisfactory." I am reminded of an experience some years ago when we had a bill up for consideration, not of this particular nature, that was handled in a subcommittee chairmaned by the gentleman from Texas [Mr. POAGE]. When we had finally finished with the bill and were ready to present it to the full committee, the gentleman from Texas [Mr. POAGE] said, "It does not suit everybody very well, so, probably it is a pretty good bill." At any rate, that seems to be the status of this bill.

Comment has been made during the course of the discussion concerning Secretary of Agriculture Freeman's attitude with regard to this legislation. I can understand Mr. Freeman's dissatisfaction and disappointment that the Congress has not produced the legislation he wanted; but, as one who has labored for many years, as far as agriculture is concerned, I have learned that, after all, this is a very difficult problem. It is not going to yield readily to any one man or even to that of any one group of people.

I would like to comment on the fact that the Farm Bureau has expressed its disappointment with the bill. The Farm Bureau is one of the fine and important farm organizations in our country. I am disappointed, too, because I have supported conservation reserve legislation which they have advocated. I realize this bill does not conform to what they would like to have either, but I would like to show in my remarks a little later that this is a move in the right direction, therefore should not be criticized too severely.

I should like to direct my remarks primarily to those who have historically had some reservations about a program that deals with agriculture, and more especially with wheat and feed grains. I want to say the provisions of this bill are much better from the standpoint of those who are consumers than any bill we have had in the past. In fact, I feel quite honestly that many of the Members from either consumer districts or feed deficit areas who have had some reservations about prior legislation can support this with a good deal more grace. We are moving into an area, I feel quite sure, insofar as feed grains are concerned, that the grain and livestock farmers themselves support. That is, for noncontrol; and, if necessary in order to achieve their independence of operation, to take a lower support price for their products.

So, as far as I am able to evaluate this whole problem, I think it is a move in the right direction from the standpoint of the consumer, the feed deficit area, the grain and livestock farmer, and the taxpayer as well. Now, as a farmer myself, I am sorry that we are lowering for 1964 the support level for feed grains to what I think is to low a level, but I still feel that in deference to getting a program that we can all agree upon, this is a move in the right direction.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, at the conclusion of my speech on the agricultural program which was defeated by the House some weeks ago, I pointed out that the Republican Party refuses to be realistic; that if the big farmer did not stop taking advantage of the American public, the American taxpayer would, to paraphrase what Jimmy Durante said when a bumblebee nicked his schnozzola, "Everybody off. No farmer gets a free ride any more."

Mr. Chairman, this bill gives me a great deal of trouble. I know that the cost of this bill will amount to about $1 billion more than the bill which the administration recommended, and which the Republicans helped defeat. The alternative to this bill is a throwback to 1958, when we will have unlimited production with price supports which will cost the American taxpayers much more money than this bill costs. So, I have a choice here of paying more money to the farmers under the 1958 law or paying less under this bill, so therefore reluctantly I will have to support this bill.

I would like to ask a few questions about the feed grain provision. During the administration of the feed grain program, 40 percent of the farmers participated, and about 50 percent of the feed grains were produced by farmers who did not come within the program. Can the chairman tell this body and the people from the cities whether those people who do not come in voluntarily will receive any price supports in the production of feed grain, corn, barley, and sorghum?

Mr. POAGE. They will receive no price supports whatsoever.

Mr. SANTANGELO. But if they do come within the program voluntarily, they will receive a price support of $1.20 per bushel?

Mr. POAGE. The bill does not fix it at $1.20 a bushel. They will receive supports at the level fixed by the Secretary, which presumably will be approximately $1.20.

Mr. SANTANGELO. The present price support is approximately $1.20 per bushel.

Mr. POAGE. Yes.

Mr. SANTANGELO. Now, I would like to point out to the House that the legislative committee should go further into the question of our storage costs. Several years ago I visited southern Illinois and Iowa, where we have the greatest corn and feed grain production in the country. As the result of some of my inquiries and recommendations, storage costs of corn and wheat were reduced from 16.5 to 13.5 cents per bushel, and we were able to save about $86 million. Now I find from observation and from inquiries around the agricultural part of this country that the price of storage is still too high and that the American taxpayer is getting sick and tired of paying storage costs which we must reimburse the Commodity Credit Corporation. Because of the intensive and technological advances in agriculture, the farmers produce more grain on reduced acreage than they used to produce with greater acreage. We are not trying to curtail the production here because it is a voluntary program and 60 percent of the farmers produce as much as they physically can.

With the increased intensification in farming we can produce more than the country can use.

Mr. Chairman, I would like to point out to the people of America and to the Members of this body that the figures with reference to the commodity holdings of the Commodity Credit Corporation on stocks and the commodities in storage are inflated, are not accurate, and are unrealistic. They are talking about the price or the value of these commodities on the basis of storage costs which have taken place in the last 10 years or so. The figures which we are given are not the present market value of the commodities. I want to point out that the CCC has in storage today approximately $5 billion worth of commodities and not $8 billion or $9 billion which some reports in magazines and newspapers indicate. The difference between the $5 billion in commodities in the bins and in the commercial warehouses and the $9 billion represents inflated figures. They are unrealistic figures. These are just figures carried upon the books. When we go into the Committee of Appropriations tomorrow we will pass upon the appropriations for farm programs. Next week we may be called upon to reimburse the CCC for these inflated figures. I alert the people of the cities so they may see what is going on and I ask the agricultural legislative body to go into the question of storage costs of wheat and feed grains. If the committee makes another exhaustive study I think perhaps we can save the American taxpayer a great deal of money. Once we eliminate the waste and excess we can support the farm people because we know that we in the cities are dependent upon the farmers in order to get along and maintain an adequate food supply.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. BREEDING].

(Mr. BREEDING asked and was given permission to revise and extend his remarks.)

Mr. BREEDING. Mr. Chairman, I want to make this remark before I give an explanation of the wheat section of the bill, that is, as I understand the wheat section. It is a pleasure to be in this House today in a joint effort for agriculture. Looking back over 3 weeks, when the agriculture bill was defeated and all of us beat around considerably, I want to say it is a pleasure to be able to work today with my Republican friends and colleagues as well as my Democratic friends and colleagues on this joint effort here today.

Mr. Chairman, I want to refer back to the remarks of the gentleman from Iowa [Mr. SMITH] about the price of 5 pounds of flour. I had never realized before that 5 pounds of flour is worth less than 5 pounds of dirt. But, actually, they tell me that wheat next to milk has all the ingredients that the human body needs except water. With 60 percent of the world's people going to bed hungry at night, it seems to me we could well afford to use more wheat.

Mr. Chairman, I also want to refer back to the remarks which were made by the gentleman from Florida [Mr. MATTHEWS], when the gentleman talked about the Committee on Economic Development, and I want to make this statement: If what this Committee predicts in that article which they have put out becomes law, then one-third of the towns in my congressional district will be ghost towns in the future, because this CED plans to take out one-third of the people of the agricultural areas, around 2 million. I am sure this would be disastrous to agriculture and I think it would be a disaster to a lot of city people as well.

Now, Mr. Chairman, I shall go to the bill that is in question. Subtitle (B) of title III of the bill establishes an emergency wheat program for the 1963 crop year which is virtually identical to the program which was in effect for the 1962 crop year and which proved to be effective in accomplishing its aims. Last year we were faced with the problem of a continuing increase in surplus wheat stocks at a tremendous cost to the American taxpayer. The wheat program which we enacted last year, the Kennedy-Freeman program, we now know was effective in reducing the output of American wheat farmers and at the same time increased wheat-farmer income. The last reports from the Crop Reporting Service of the Department of Agriculture show that the 1962 production will be approximately 1.05 billion bushels this year, which is about 200 million bushels below our anticipated disappearance. This means that during the next marketing year as a result of the emergency wheat program which is in effect this year, stocks of the Commodity Credit Corporation will be reduced by about 200 million bushels. What does this mean in terms of money? The Commodity Credit Corporation will recover something over $400 million of its investment in this stockpile of wheat, and will save in storage and interest costs another $40 million or $50 million.

I am firmly convinced that the wheat certificate plan that was contained in H.R. 11222, the defeated bill 3 weeks ago, is more nearly the ultimate answer to the wheat problem. At this late date, however, I believe that the Nation and the wheat farmers will be better served by continuing the present emergency wheat program for 1 more year. This program, contained in the bill we are considering today, reduces each individual farm acreage allotment by 10 percent, and requires that this 10 percent of the original allotment, based on the 55 million acres, be diverted from production and devoted to soil conserving uses. The producer is compensated for this retired acreage by a payment in cash or wheat equal to 45 percent of the adjusted yield for the farm on the acres diverted. In addition, the producer is authorized to divert an additional 40 percent of his basic allotment and receive, as compensation, 50 percent of the normal yield of the diverted acres. This provision is a slight change from that in effect for the 1962 crop year when he was allowed to divert only 30 percent of his basic allotment, and received payment based on 60 percent of his normal yield. In other major respects the present bill is the same as the bill in effect in 1962.

On the so-called 15-acre farms the exemption is limited to the lower of 13½ acres, or the highest number of acres actually planted in the 3 years 1959 through 1961. These producers, if they wish, may divert 10 percent of the highest acreage planted in these 3 years and receive the 45-percent payment and may divert any amount up to 10 acres and receive the 50-percent payment. These diverted acres may be planted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, with an adjustment in the payment rate determined by the Secretary to be fair and reasonable, but in no event greater than one-half of the rate which would otherwise be applicable.

This bill limited price supports for the 1963 crop of wheat only to those producers who cooperate in the special wheat program provided herein. The present provisions of law with respect to establishing marketing quota excess, based on twice the normal yield and at a penalty rate and at 65 percent of parity are continued for the 1963 crop year.

Mr. Chairman, this emergency wheat program contained in this bill, although not as desirable as the certificate program which was worked out by our committee, is the best program available for the 1963 crop year, and I urge the adoption of this bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. SHORT].

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, this is something of a new experience for me, to be here today speaking on a farm bill to which I am not strenuously opposed. This bill does not by any means include all that I would desire in farm legislation,

and I am sure it does not include all that many farmers would desire in farm legislation. But I think this is the important thing about this bill. It represents about the best that we can do at this particular time, and I think we should consider this bill in that context.

As the gentleman from Virginia, Judge SMITH, said when he was talking on the rule, this is the practical thing to do, to accept this bill today. I concur in that statement. The administration seems determined to save something they can hang their hat on in the way of a general farm bill that will be passed in this session of Congress.

After the defeat we gave the administration on the farm bill here a few weeks ago maybe we should leave them with this little crumb of satisfaction, if that is what this is going to be. For those who are opposed to mandatory farm programs, and I think this was the primary consideration that defeated the farm bill that we had before us a few weeks ago, I think it should be remembered that this bill preserves the optional approach as far as the feed grain program is concerned. This bill simply extends for another year the emergency feed grain program that we passed a year ago, and which is in effect today.

For those who do not like farm programs, for those who do not want to avail themselves of price supports, for those who do not want to avail themselves of land retirement payments, this bill provides them the opportunity to just stay out of the program, and I think this is a desirable feature. I think it is a desirable feature as far as a great many livestock people are concerned.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Florida.

Mr. HALEY. What the gentleman is saying, if I understand him correctly, is that this is the best bill you can get at the moment.

Mr. SHORT. Exactly, as I see it.

Mr. HALEY. If you do not pass this bill you go back to the 1958 act, which of course is the worst act we had.

Mr. SHORT. I am not in complete agreement that the 1958 act is the worst. I think it has been castigated unduly. I think there have been many criticisms leveled at the 1958 act that are not completely true. We should remember that under the 1958 act utilization of feed grains was increasing by leaps and bounds. This increased utilization took place over the 10-year period from the time price supports were at the high point to the time price supports for feed grains were at the low point. We should remember that corn utilization increased by essentially 1 billion bushels. This is something I think we should keep in mind about the 1958 act.

Mr. HALEY. Of course I think, and I think many Members of this House think, that the approach of trying to control this program on an acreage allocation is wrong. If you are going to control a situation you must have tight controls on bushels, pounds, or what have you. You are never going to control this program on the basis of equal limitations. I think there is where the Congress and its committees have been wrong. I think the American people are getting tired of supporting this program.

I realize you have a problem here, and I do not think you can get out of it in this year or next year or maybe several years. I think what we need to do in this Congress and what the American people think we should do and I think we should do, and I think we should do that, is to get out of this whole program over a period of years and let the farmer go back to raising whatever he can and selling it on the open market. I think that will solve your problem. We have been in this kind of program for over 30 years. By admissions on the floor of this House year and year and year and year after year it is getting in worse shape.

Mr. SHORT. It has not solved the problem.

Mr. HALEY. You have not solved the problem. I do not think you ever will. I think you will have to let this go back to the farmer on the basis of a free market.

Mr. SHORT. I thank the gentleman for his remarks.

Inasmuch as the gentleman mentioned bushel allotments, I would like to refer to a conversation I had with a friend back home. He said the wheat farmers out in North Dakota who had thought they wanted a bushel allotment, which would give farmers a quota of about 9 bushels per acre, with a 30-bushel-per-acre wheat crop in prospect had pretty completely changed their minds.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

(Mr. JOHNSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, I want to urge my colleagues to join me in supporting H.R. 12391, the revised food and agricultural bill of 1962, which I consider to be a very sound and workable measure. As a representative of a dairy district in the great dairy State of Wisconsin and as chairman of the House Dairy Subcommittee, I am particularly interested in the emergency dairy surplus reduction program that is part of the proposed legislation. This voluntary dairy program is the product of many long hours of work and deliberation by the members of the Dairy Subcommittee, and I feel that it represents the important first step toward the solution of the critical problems now facing dairymen across the Nation.

Immediate action in this area is imperative, for our dairy industry today is caught in a tightening squeeze between rising production and declining consumption. Since 1948 America's dairy farmers have produced more milk than can be sold through commercial channels. The excess has been purchased by the Government through price support and related programs. Since 1953 these Government purchases have exceeded $200 million a year and, in some years, have gone well over the $500 million mark.

Mr. Chairman, in 1961 milk production went up 1.5 percent, while milk consumption dropped alarmingly by 2.5 percent. The administration, the Department of Agriculture, and the dairy industry are taking positive steps to increase consumption with concrete and well-substantiated assurances that our milk supply offers no hazards and continues to be one of the best sources of important nutrients for adults as well as for children. However, it will take time to undo the damage done to the milk market by the unfounded scare talk about radioactive fallout and cholesterol which has made milk its prime target.

Meanwhile, dairy surpluses continue to pile up. During the 1961 to 1962 marketing year, which ended April 1, price support purchases made by the Commodity Credit Corporation removed from the market nearly 9 percent of the butterfat and 13 percent of the nonfat milk solids in the total farm sales of milk and cream. Included were 435 million pounds of butter, 194 million pounds of cheese, and 1,275 million pounds of nonfat dry milk. The estimated cost of dairy price support operations for the past marketing year comes close to $600 million.

Mr. Chairman, the Department of Agriculture is making every effort to utilize its stocks of surplus dairy products through donations for domestic and foreign school and welfare uses and through sales at greatly reduced prices for commercial and noncommercial export. However, the CCC's uncommitted stocks are increasing. On May 23 they totaled 302 million pounds of butter, 89 million pounds of cheese, and 338 million pounds of nonfat dry milk. Department of Agriculture officials have told me that, despite their best efforts to find uses for these surplus dairy products, the problem of freezer space for CCC's accumulating stocks of butter may become critical before these stocks can be used.

Even with sizable Government expenditures to support the price of dairy products, the dairy farmer's income remains low. During the 1950's, returns on the farmer's and his family's labor ran as low as 30 to 50 cents an hour. In 1960 dairymen in Wisconsin's Ninth Congressional District, which I represent in Congress, received only 41 cents per hour for their labor.

Developments during the past year have emphasized the shortcomings of the present legislation—the Agricultural Act of 1949. It provides that dairy supports be set at such a level between 75 and 90 percent of parity as will "assure an adequate supply". As President Kennedy pointed out in his farm message to Congress on January 31, the Secretary of Agriculture had no choice under that law but to lower dairy supports to 75 percent of parity because of the obvious oversupply of dairy products.

Mr. Chairman, the lowering of dairy supports prescribed in existing law has resulted in a 10-percent decline in income for dairymen. With dairy supports at 75 percent of parity, dairy farmers' income will fall about a quarter of a billion dollars this year. In my home State

of Wisconsin, dairymen will lose $30 million in the 9-month period following the mandatory lowering of supports on April 1. Minnesota farmers stand to lose $22½ million during the same period. And even with the lower support level, the CCC's dairy purchases this year are expected to approximate last year's record volume, with net expenditures again approaching the $600 million mark.

To say that this is a serious situation would be the understatement of the year. Almost every State in the Union produces milk. It provides twice as much cash income for our farmers as any other basic crop. In addition to the farmers who produce milk, the dairy industry furnishes employment for almost 300,000 persons who process and handle dairy products before they reach the retail level.

Our present dairy problem has reached emergency proportions very similar to the feed grain emergency which we faced last year. Because of a lack of agreement among the various dairy organizations, dairy industry representatives and Members of Congress, the formulation and enactment of a long-range dairy program is obviously going to be a lengthy process. Meanwhile, I strongly feel that we must deal with the immediate emergency in this vital industry.

Mr. Chairman, under the provision of the dairy surplus reduction program, which is similar to the 1961 emergency feed grains program, dairymen would be given an opportunity to sign a voluntary agreement to reduce their marketings of milk between 10 and 25 percent of their 1961 marketings. For such reductions, they would receive a surplus reduction payment of up to $2.50 per hundredweight from Commodity Credit Corporation funds. The exact rate of payment would be a rate which the Secretary of Agriculture estimated would encourage voluntary reductions in marketings but could not exceed $2.50 per hundredweight.

Since the cost to CCC of purchasing products manufactured from 100 pounds of milk, plus storage for a short term, adds up to about $4.20, the Government would save approximately $1.70 for each 100 pound reduction in milk production. As Secretary of Agriculture Freeman pointed out when the Agriculture Committee was considering the voluntary dairy program, it would save taxpayers an estimated $54 million a year over the existing program.

He also presented a chart showing how this saving would be effected. I would like to include that chart in the RECORD at this point:

Cost comparison of present and proposed dairy programs

	Million
Estimated annual CCC expenditures, at 75 percent of parity under present law	$550
Proposed emergency program, at 75 percent of parity assuming 20 percent of producers reduce their marketings 10 percent below their sales in 1961:	
Reduction in CCC purchase cost	114
Payments to producers, at $2.50 on 2,400 million pounds reduction	60
Net saving	54

The aid offered to cooperating dairymen under this voluntary program would be in addition to the assistance all dairy farmers receive through price supports, which would be contained at 75 percent of parity. The program would be in operation from October 1, 1962, through June 30, 1963.

Mr. Chairman, small producers could receive payments for reducing milk production by 7,500 pounds a quarter, even if this amounted to more than the 25-percent limitation provided in the bill. Anyone who, for some reason, has already reduced his marketings since 1961 would receive payment only on a reduction of his current marketings.

A producer who failed to reduce his marketings to the extent required by his agreement would be eligible for payment on the quantity by which he actually reduced his marketings, providing such reduction is as much as 10 percent of his normal marketing level. However, the rate of payment would be reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

This proposal provides that agreements entered into with producers under which they might receive surplus reduction payments may contain "such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk". With a payment rate between $2 and $2.50, there would be savings in program costs if half or more of the reduction in production covered by agreements were achieved.

Mr. Chairman, farmers selling milk under Federal milk marketing orders would be affected the same as other producers. However, they would be permitted to credit all their marketing reductions against surplus class milk. In this way, they would retain their full share of the class I value of the pool just as though their total deliveries had not been reduced.

If a long-range dairy program utilizing milk quotas is put into effect at a later date, dairy farmers who participated in the voluntary program will not be penalized with lower quotas because of production cuts under this program.

Enactment into law of this emergency voluntary program would give dairymen and legislators their first chance to see how a supply-adjustment program would operate in the dairy field. Currently, milk is the only one of our important agricultural commodities which does not have such a program. In addition to reducing our gigantic surpluses of milk and dairy products, and the subsequent reduction in the cost of purchasing and storing them, this voluntary program could very well indicate the way in which future dairy programs should go.

As Secretary Freeman pointed out to the House Agriculture Committee, the voluntary program would give individual farmers the advantage of being able to maintain their dairy income while reducing their milk production. The other major advantage would be the opportunity to accomplish some surplus reduction and to reduce CCC costs while work continues on development of a longer range dairy program.

Mr. Chairman, I firmly believe that the voluntary dairy program contained in H.R. 12391 is a sound and reasonable approach to our critical dairy situation. I feel that H.R. 12391 and its dairy section merit our support.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman.

Mr. REUSS. Mr. Chairman, I wish to commend the gentleman from Wisconsin [Mr. JOHNSON] for his constructive leadership, particularly on the dairy sections of the program.

Mr. Chairman, this is probably the last chance the 87th Congress will have to consider a comprehensive farm bill. This is too bad, because in my judgment what is needed is a farm program adjusted to our domestic and international needs of the 1960's. Whatever may be said for H.R. 12391, the bill before us, it is not such a program.

Such a program would see us move progressively from a system of high price supports that cause unwieldy surpluses, to a system where farm products sell in the market for more reasonable prices, with our fantastic improvements in agricultural productivity in part passed on to the consuming world, and with the family-sized farmer compensated directly by production payments so as to bring his family income nearer to what it would have been had he received a parity price. The dairy program of H.R. 12391, the bill before us, is a tentative step in this direction, and a good one. Would that there were more of it.

I regret that we are not now moving toward a new farm program, because there looms before us a Common Market agricultural policy that, unless checked, will raise havoc with our farm exports. As I shall make clear, I believe that that proposed Common Market farm policy must be checked. But the best way to check it is to put our own agricultural house in order, so that we may be free of the onus of protectionism ourselves as we fight protectionism by the Common Market. This we have failed to do.

Mr. Chairman, unless we can negotiate a place for American farm products in the Common Market, it is probable that most American exports of food and feed grains will gradually be squeezed out of the Common Market. I would like to explain briefly why this is so.

In the immediate postwar years, we all remember that Europe made strenuous efforts to expand its own food production because of the dollar shortage. That effort has been successful, and, together with the phenomenal expansion of European industry, has turned the dollar shortage into a dollar glut.

Expansion of Europe's own food production has inevitably cut into our share of that market. The continuation of this trend would not be expected to go far enough to cut us out of the European market for food and feed grains, so long

as each nation pursued its own national farm policy. The important point to grasp is that now, the substitution of a common agricultural policy along lines now indicated for the individual national policies of members of the Common Market is certain to squeeze the United States out of that very large and important market.

Acting alone, a deficit food country would naturally import from the cheapest source, even while stimulating the production of its own farmers by price supports and other measures. But when these countries of the Common Market pool their resources under a common policy, it means that the surplus-producing members have a first claim on the markets of the deficit members.

This, Mr. Chairman, is the essence of the new threat to our exports. For any member country that can produce a surplus above its own requirements will receive preference over outside countries, like the United States, in the markets of the importing partners.

This means that France will proceed to take over our wheat market in Germany and the low countries. We know that. And it means that the expanding European market for feed grains will similarly be supplied by partner countries. This is a bitter pill for the United States. Rising incomes in the Common Market insure that consumption of animal products will increase more rapidly than consumption of cereals. Hence, the rapid expansion of demand for feed grains in Western Europe. But the principle that partner countries are to receive preference, even though their costs are higher than American costs of production, is a means not only of reducing our share of this growing market, but also of eventually squeezing us out. For the support prices inside the Common Market can be raised high enough to enable the surplus-producing partners to supply the deficit members.

Obviously, this is of vital importance to American producers of wheat and feed grains, and to our growers of rice, poultry, oil crops, and fruits as well. I repeat, Mr. Chairman, the creation of a common farm policy presents a far greater threat than individual policies of member countries, taken separately. This is simply because the high-cost surpluses of any member can be used to displace the low-cost production of the United States and Canada.

The number of draft animals in Common Market countries is already declining, as mechanization gets underway. This is certain to continue. As the number of draft animals is reduced, this will free land for the production of feed grains for Europe's growing herds of livestock. And those feed grains, unless we act, will be European high-cost feed grains rather than American low-cost feed grains.

Moreover, if Britain joins the Common Market, there is danger that the same thing will happen to our tobacco market on the continent. For, if Rhodesian tobacco is granted preferential treatment, Rhodesian exports to continental Europe will expand at our expense, just as the British preferential treatment of Rhodesian tobacco displaced American exports to Britain in an earlier period.

What can we do about this dire prospect for American exports of farm products to markets which account for such a large fraction of our commercial exports? We certainly cannot protect it by doing nothing. And the longer we delay, the more difficult it becomes to change this policy of the Common Market which is now taking shape.

We must negotiate at the earliest possible date, Mr. Chairman, and be prepared to consider fundamental changes of farm policy that will enable low-cost American food, feed grains, and tobacco to retain a place in the expanding Common Market.

The important thing I have to say, Mr. Chairman, is that delay can mean disaster. For agreements, as between members of the Common Market, are especially difficult in the area of farm policy. And, once these agreements are firm, they may be impossible to change.

In that case, 1962 might become the year that the locusts have eaten.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HARDING].

Mr. HARDING. Mr. Chairman, it is not with a great deal of pleasure that I find myself standing in the well in a position of at least partial opposition to the majority of the members of my committee both on the majority side and on the minority side. Last month I supported the administration's omnibus farm bill because I believed it offered a solution to the farm dilemma. I believe one solution is truly supply management and an honest attempt to bring our production into balance with our ability to utilize the commodities produced on our farms. This attempt was voted down. So now here we are again today faced with the necessity of doing something to solve the problem of our unmanageable feed-grain surpluses. Just to illustrate how bad this problem really is—in 1952 when Secretary of Agriculture Ezra Taft Benson went into office, he stated that through a program of flexible price supports he hoped to eliminate the surpluses.

In 1952 we had in storage under Government inventory and under Government loans, 541 million bushels of feed grains. It was valued at $740 million.

Ten years later, today, we have in Government inventories and under Government loans, 2,783 million bushels of feed grains valued at $3,271 million. Now I am speaking of feed grains alone. It is costing us over $1 million a day just to pay the storage, carrying charges, and interest to store this surplus feed grain. In the last 10 years we have spent nearly $3 billion just on storage, carrying charges, and interest.

I think something must be done. But unlike Secretary of Agriculture Ezra Taft Benson, I do not think it can be done gradually. For that reason, I intend to offer an amendment to the feed grain section of this bill. We do not have any controls now over feed grains, and my amendment would eliminate all price supports on feed grains and provide that the Commodity Credit Corporation would dispose of the surpluses in CCC storage over the next 15 years at the rate of one-fifteenth per year, in a manner so as to have the maximum effect to insure that the stocks of highest quality are kept in storage and also to insure the minimum effect on market prices.

I am sure that this will not be a popular amendment. With many people from areas that produce great amounts of feed grains this could well be referred to as the amendment that shot Santa Claus. But I think if we are sincere, and if we really want to get the Government out of agriculture—now is the time for us to act. Every feed grain farmer in America and every producer of corn, grain sorghums, rye, oats, or barley will know when he sows his crop this fall or next spring that he will be able to go to the marketplace and he will receive the market price for what he produces. If the market price is 75 cents a bushel, that is all he is going to get and the Government is not going to bail him out. If the market price is $1.50 a bushel, he will receive that price, but there will not be any addition to the storage and there will not be any price supports.

I sincerely hope that the majority of the Members of the House after hearing my amendment explained, when we come to that section of the bill, will feel that they want to take action; and that we will return feed grains to a free market on the same basis as livestock, potatoes, as citrus fruits, other fruits and vegetables and agricultural commodities.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks,)

Mr. DOLE. Mr. Chairman, as the gentleman from Idaho [Mr. HARDING] has just stated, we all want to save our taxpayers' dollars. I might point out, too; that during the last 11 years or so, we have given Yugoslavia around $415,000 a day in aid of one type or another, but we always find it convenient to make the grain storage industry the whipping boy when it comes to debating a farm bill. I do feel the farm program is one area we can and should save money but we must also be realistic.

There is considerable doubt on our side of the aisle about the parliamentary situation so I shall ask the vice chairman of the committee, the gentleman from Texas [Mr. POAGE], to respond to some questions. As I understand the parliamentary situation, and I am not trying to interpret what the siuation in the Senate might be, there are three courses open to the Senate. First, they can accept our bill. Is that correct?

Mr. POAGE. Yes; if we pass this bill and it goes to the Senate they could accept it without amendment.

Mr. DOLE. Second, as I understand, it could be referred to the Senate Committee on Agriculture and Forestry and, of course, there the committee could act on our bill.

Mr. POAGE. That is right.

Mr. DOLE. Finally, under the broad rules of the Senate they could amend this bill on the floor of the Senate and attempt to resurrect the old Senate bill in that way.

Mr. POAGE. Whether they can take a bill directly from the House to the floor of the Senate I do not know. I do not know what the Senate rules require in that respect, but I do not see how it could go directly to the floor without going to the committee.

Mr. DOLE. Without any disrespect to the Senate, the committee vote turning down the Senate bill 23 to 12 ought to make it very clear farmers do not want a tight control program. Many of us recognize imperfections in this legislation but feel it is the best bill possible this year. It is a compromise bill and because of this it is most unfortunate the Secretary of Agriculture on the day before this bill was to be considered in the House felt constrained to blast Republicans. I cannot understand the attitude of the Secretary unless he hopes to kill this compromise measure by his outburst for I personally know that he has alienated many supporters on the Republican side of the aisle. It appears to me that since the Secretary of Agriculture and the President have been unable to accept legislative defeats without subsequent angry, bitter, and partisan statements, it might be well for them to spend a couple of weeks in Hyannis Port where they might rest and fill themselves with tranquilizers.

The House Committee on Agriculture has made a very sincere effort to resolve some of the differences which were apparent in the consideration of the last farm bill before the House and in view of the attitude of Mr. Freeman, I regret that he announced yesterday he had no intention of resigning as Secretary of Agriculture.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I want to compliment the gentleman from Kansas for having the foresight in March of 1961 along with myself, the gentleman from Nebraska [Mr. WEAVER] and my colleague the gentleman from Minnesota [Mr. LANGEN], who voted for the original voluntary feed grain program. By so doing the gentleman from Kansas helped to prevent defeat of the original feed grain program and hence gave the farmers at least an opportunity to determine for themselves whether the legislation was sound.

Mr. DOLE. I thank the gentleman from Minnesota and as the gentleman well knows this program is not perfect but it is essentially a voluntary one wherein farmers may or may not participate, as they see fit. The gentleman from Minnesota has a long distinguished career in the field of farm legislation beneficial to farmers and I know that his consideration of the legislation before us today is based on his sincere efforts to strengthen farm economy not only in the State of Minnesota but throughout the Nation.

Mr. Chairman, I yield back the balance of my time.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, I take this time to forewarn the House that I plan to offer two amendments to this bill. One will deal with the dumping provisions which are still in the bill permitting the Secretary to continue to dump feed grains on the market, as he has been doing to keep the price of feed grains down. I have continuously opposed this policy of the Secretary and I think we should write something into the legislation today to prevent a continuation of this practice.

The second amendment I shall offer would raise the price support now in the bill for feed grains from 80 percent of the last 3 marketing years to 90 percent. I offered this amendment in committee and it was defeated. I forewarned the committee at that time I would re-offer the amendment on the floor of the House.

I am of the opinion that the price support for the 1964 feed-grain crop as proposed in this bill is much too low. I think the 90 percent would be much better than 80 percent.

I also take this time, Mr. Chairman, to say that I shall support the Quie amendment to give the Secretary of Agriculture some discretion in dealing with the the classes of wheat. I have long advocated on the floor of this House that we should have some differentiating legislation dealing with classes of wheat, as all classes of wheat are not adding to the surplus. I shall for that reason support the Quie amendment.

In conclusion, may I say I feel this bill will pass today with bipartisan support and will probably pass overwhelmingly. This is due not only to the fact it is stripped of mandatory controls that were in the bill that we defeated just a few weeks ago but also due to the fact that the people downtown have learned a lesson from the defeat of that bill. That is, that they should leave the legislating to the legislators and keep their lobbyists out of the halls around this Chamber.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. MCINTIRE].

(Mr. MCINTIRE asked and was given permission to revise and extend his remarks.)

Mr. MCINTIRE. Mr. Chairman, I want to mention one or two points. To those who have taken the time to look at the committee report, I am sure you are aware of the fact I am one of the three members on the minority side referred to earlier who did not support this bill in committee.

There are a number of reasons, but the reasons which I have set forth, in company with the gentleman from Illinois [Mr. FINDLEY], were my major reasons. I think the dairy provisions of this bill are not in the constructive interest of the dairy industry. I have not been in sympathy with the proposition of allowing the Secretary of Agriculture to control the open market price on grain. I am also not in sympathy with the action of the Secretary in the use of section 22 of the Interstate Commerce Commission Act to give preferential treatment in the price of grain to one section of the country to the detriment of producers in another section of the country; both producing for sale in the same markets.

There has been much discussion of this bill in relation to feed grains, and particularly corn, that I think it is appropriate to have in the RECORD what is happening to some other commodities in the field of agriculture. We ought to have in the RECORD at this time what is happening to the commodity soybeans.

On May 31, 1961, under price support loans, there were 1,685,000 bushels of soybeans. On May 31, 1962, there were 77 million bushels. Much is being said about how much is being saved under the provisions of this bill, but let me point out that on May 31, 1961, the investment in soybeans was $3 million, and 1 year later $175 million

Now, these are dollars just the same as though they were being saved on corn, one might say. If I were a soybean producer, I would perhaps think that $2.30 might be a pretty good level of price supports, but I would certainly look back to where I was about 2 years ago and begin to realize where I am going, because the direction which this program is taking the soybean producers means only one thing, that is, they are going to have suggested to them that they have only one out and that is to take on a production control program.

Let us look at the dairy industry for just a moment. I think one of the most serious things that happened to the dairy program was when, in the fall of 1960, this Congress, just before the election, took the political expediency to legislate an increase in dairy support programs, and then unfortunately the Secretary of Agriculture took another political step and increased the support levels when he came into office. You all know where the dairy support program is today. From zero inventories of butter in January of 1961 we are now well up to 400 million pounds of butter as of June 30, 1962. From zero inventory on cheese, we are now well up to 93.8 million pounds as of the same date, and on dried milk, June 30, we are up to 475 million pounds. What does this mean? From a very substantially sound situation, after an expenditure of only about $136 million a year, this program has now moved up to a cost of close to $600 million. This is the direction of two commodities, and I think that it is time to take pause in this program of increasing the level of supports and getting these commodities into a predicament where the alternative is to go under production controls. Where are those who campaigned on party of income? I have listened to many speeches on this floor condemning

those who were looking at a level of price supports in the marketplace that 90-percent support was not enough; they said it ought to be 100 percent. This bill, as has been reported to you by the majority and the minority, has corn in here at a ceiling of 80 percent and has taken out any floor under the commodity corn, and for all practical purposes has removed it as a basic commodity. I sincerely hope that the dairy provision in this bill will be removed, and I will be happy to support any proposal in that direction.

(Mr. SCHADEBERG asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCHADEBERG. Mr. Chairman, I have in my district a nonpartisan committee of farmers representing different types of farming. While these men have not and would not tell me how to vote but would expect me to make my decision on the basis of all the information available to me, I did contact each one of them and after explaining to them the salient features of the bill, I asked them for their opinion. These are men on the farm, making their living off the farm. To them it is a way of life not merely a means of making a living. I believe we should be knowledgeable of their views.

From Juda:

We want less controls. Our county is one of the richest agricultural counties in the country and yet we're hurting badly right now.

From Kansasville:

Feed grains and wheat programs are only stopgap measures and we could have done better over the long haul without them. We don't want them. I would like to see the Government clear out of agriculture—no controls—no subsidies. However, they must ease out over a period or it would be devastating. Maybe we ought to extend the present program for 1 year but I'm still against it in principle. It is not in the farmers' interest over the long run.

Elkhorn:

I think dairy provisions should be left out. It might be a few dollars extra to the farmers this year under a voluntary program but it's designed to make for a compulsory program next year. I milk 50 cows twice a day and I'd just as soon the Government stay out.

Elkhorn:

We haven't gained much by the present program (feed grains and wheat). Past and present programs are like Government saying they'll give us a choice—of shooting ourselves or hanging ourselves.

On milk:

I believe in handling marketing at the local level. Each city or milk-marketing area should make its own rules.

There's much criticism of paying the farmer not to produce but it's the same as labor being paid for a 48-hour week even though he works only 40 hours.

Racine:

If it's anything like the last farm bill (the one the House defeated) I'm against it.

If the milk program is along the lines of the feed grains bill I would be definitely against it.

Gentlemen, I am aware that perhaps no bill upon which we vote is perfect and so there is an argument for compromise. However, I cannot see the wisdom of continuing a program that has been a failure. It is argued that the only way we can save money on the farm program is to have complete controls. I agree. Yet even if we could find perfect men to direct the program no amount of money saved would be worth the loss of freedom of America's farmers.

I shall vote against this bill. I will look forward to making some real progress and thus turning our backs on failures. Let us develop a realistic program of phasing Government out of agriculture over a reasonable length of time so that we can be assured that never because of Government interference—how be it in the best of intentions—that never will the farmer be forced into the position of becoming a tenant of the Government while dwelling on his own land.

Mr. HOEVEN. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, I wish to compliment the leadership's fine attitude expressed here on both sides of the aisle—I intend to vote for this bill. I shall however propose some amendments that I feel will improve the bill and make it a better, more workable measure.

I offer for the consideration of this committee some proposals for a long-range program that I believe will be effective and acceptable.

When Congress faces up to the task of dealing with farm legislation, many of us worry a bit about what kind of an animal will be trotted out this time.

A careful examination of farm legislation over a period of many years can lead only to one conclusion and that is that there has constantly been a greater disposition to legislate programs designed to get votes rather than results.

It is also crystal clear that no program has existed long enough to prove itself. The result is that the farmer has become the victim of a badly bungled mess. The farmer now finds himself becoming the whipping boy of an irate public that does not realize that many of the farmers have never asked for many of the proposals foisted upon them. Vast numbers of farmers have gone about their business operating their family livestock farms, producing crops, feeding it out to their livestock. They have not contributed to the bulging stockpiles of surplus grain.

It must be said, however, that all farmers would benefit by a farm program if it works.

From the best information I could get, we had in 1958 about 338 million acres in production in the United States. The production from almost half of that total, or 156 million acres, was fed on the farms.

It seems quite clear if we hope to get adequate land retirement to balance supply and demand it will require participation of all the farmers to do the job.

I would like to review some of the statements that have been made here on the floor:

Statements have been made: If the farmer is to get Government supports, he should be willing to do something for it. I agree.

We have heard statements that the Government must reduce storage costs, and so forth. I agree.

We have heard statements that we must have rigid regulations and quotas; penalties and jail sentences in order to have an effective program. I disagree.

I assume it is our responsibility as Members of Congress to offer alternative proposals as a substitute. This I propose to do. In 1960 some of us introduced a bill to reduce surpluses by a land retirement program much like the present feed grain law. This proposal was introduced by a number of Midwest Republicans. The plan provided for land retirement. It was voluntary. It provided payment in cash or in kind. It did not give the Secretary market-busting authority.

I voted for the feed grain bill presently in operation after it was confereed and limitations placed on the Secretary relative to sale of surpluses.

The Secretary as well as farm organizations has stated that cheap feed means cheap livestock. Section 3 of the feed grain bill gave unlimited authority to drive the market down, and under this law the Secretary set supports at 74 percent of parity. The farmer had no chance to get an adequate price in the market or from the Government. Vast amounts of grain have been sold to speculators at prices far below cost of production out of commodity credit bins. In most cases the farmer found it difficult to buy at the same level. It has now, however, been demonstrated that great participation in the voluntary program by the farmers resulted. On the other hand, by the route of strict quotas and regimentation many inequities could and would result.

The Secretary of Agriculture himself hailed the feed grain law a great success and if his statements were accurate its continuation would certainly result in a draw down of surplus grain in storage, hence a savings of storage fees and costs to the Government. No law could, by the wave of a magic wand, cause 9 billion of surplus to disappear overnight. The reduction of the surplus must be accomplished on a gradual basis so as not to disrupt the market unduly.

The administration proposal, H.R. 11222, previously considered at this session of Congress obviously had little enthusiastic support from farm organizations and likewise little support in the committee. After months of consideration and considerable political pressure it came out of committee with a one-vote margin. In the frantic effort to pass this bill, 34 amendments were added to the bill to give special exemptions. These provisions were nothing but loopholes. As a result, the production reduction would have applied most heavily to 13 States and payment for idle acres would phase out in 3 years. Taxes and interest on investment still would have to be

met. Many Congressmen voted for the bill after the bill was fixed up so it did not apply to their States.

In the debate some speakers pointed out how well quotas and controls had worked in cotton, tobacco, rice, et cetera. The facts are, while reduction was accomplished in these commodities, cross compliance was not required. Today you will find thousands of acres of soybeans, corn, wheat, moving in on acres formerly in cotton and tobacco.

The administration approach seems to be expanded the use of quotas to feed grains, dairy products, or all of the 256 agricultural commodities. The recent scandals in the farm program has been by wheeling and dealing in quotas—cotton and rice. By the expansion of this system we can expect more of the same.

However, the total cultivated acres can easily be established for each farm. There could be no illegal dealing in commodity quotas—farms cannot be moved around from county to county, State to State, as was done in the quota racket.

I have no quarrel with the cotton program; I do not propose to try to tell the tobacco or wheatgrowers what to do. I would like to point out, however, that the cotton program, while hailed as a great success, is tremendously expensive. We strangely hear little talk about that. Under terms of the cotton program, the support maximum is 90 percent. It presently is supported at 82 percent. Feed grains at 74 percent.

I do ask that the feed grain farmers be given a chance to advance under a workable program for the feed grain production. While I do not oppose extension of the feed grain program, I would respectfully recommend for consideration a long-range program which would provide in general terms, that—

First. All farmers participate in a land retirement program. If a farmer refuses to take land out on a voluntary basis, he forfeits any and all payments and supports that come from the Federal Government.

Second. In dealing with land retirement we have in mind that each farm has individual characteristics adapted to different types of family-farm operation and that instead of dealing with separate commodities as we now are doing, we deal with total cultivated acres on each individual farm, requiring a certain percentage of reduction.

Third. The payment could be a modest one per acre if the farmer wishes to receive cash, and if the farmer operates a livestock farm where all of his feed is used on the farm, make a liberal payment out of surplus feed to replace the feed that he would have raised on his own acres. The requirement in this case would, of course, be that these commodities be not thrown back into the competitive market.

Fourth. The Secretary of Agriculture should be given the flexibility of adjusting supports up or down within certain reasonable limits. It has been demonstrated in the instance of soybeans where the support price was set too high that in 1 year you will have a surplus. It could likewise be demonstrated that by reducing the support price you would reduce the production in 1 year's time. This would not require an army of policemen to enforce. You would have the wholesome attitude of voluntary participation which could be stimulated tremendously under a tillable acre approach. It would provide some flexibility of operation that could accommodate the individual characteristics of every farm in the country.

Fifth. Commodity Credit surpluses should not be dumped as permitted under the present program. We should revert back to the previous level at 105 percent of supports—higher would be better.

Sixth. I recommend an on-the-farm storage program, liberalized over the present procedure and made more acceptable, reducing the redtape involved, where the farmer by signing proper agreements with the local ASC committee would build storage on the farm which could be amortized out of storage fees. This facility when fully amortized by fees collected becomes the property of the farmer but would be available for surplus grain on the farm at no cost to the Government. This could be a long-range program that would not violently disrupt commercial facilities but would progressively move toward a proper location of the stored grain right on the farm where in many cases the farmer would buy it back at a later date. I have no objections to a reasonable commercial storage participation, but we have seen the extremes come about which is not good even for the grain trade.

It becomes clear that many assume that the problems of agriculture will be solved if production is cut, unit prices raised. Such a step with moderation is necessary. However, we cannot and must not overlook the fact that the merchandizing of our product must be improved not only in the domestic market but in the world market as well.

If we proceed with a program depending on the Government as our market as well as our salesman, we are in trouble.

With the Common Market development in Europe it becomes evident that we must do a better job of selling; a better job of negotiating—because we cannot maintain our agricultural economy with just a domestic market—even at a high unit price. We must develop and expand our world markets to produce an adequate dollar income to support our agricultural economy.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. MACGREGOR. Mr. Chairman, I should like to commend my colleague, the gentleman from Minnesota [Mr. NELSEN], for the program which he is presenting here today. I have had an opportunity to study it. It represents a constructive approach to the solution of a difficult problem, an approach not characterized by a "politics first" attitude toward the problems of American farming today.

Mr. Chairman, I was disturbed, as others were, by the flareup of the Secretary of Agriculture at his press conference yesterday and specifically by his comments after he reportedly lost his temper. The Secretary used a double standard in criticizing Members of Congress who successfully fought against his blueprint of regimentation for our farmers; Republicans were "irresponsible" while the 48 Democrats who voted to reject his scheme were "a small minority who had some honest differences." This sounds like the false comment of the day before when 21 Senators who opposed higher taxes to finance limited health care for the aged were called a handful of Democrats. What we need is less petty partisan politics as shown by these intemperate statements, and more statesmanlike leadership as demonstrated by the gentleman from Minnesota [Mr. NELSEN] in offering his farm program.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Chairman, H.R. 12391, now under consideration, provides for a 1-year extension of the current voluntary feed grain adjustments and the semivoluntary wheat program. These programs are a great improvement over going back to those in effect in 1960. Corn stocks are being reduced by 360 million bushels this year, the first reduction in 10 years. A market has been provided for that amount of corn that would have now been in Government storage, farm income has increased, the cost to the taxpayers has been reduced and consumer costs have not risen as a result.

Wheat stocks also will be reduced 225 million bushels as a result of the 1962 wheat program.

They also have improved farm income. They should be continued until better long-term programs are available to take their place.

FEED GRAINS DIFFER FROM WHEAT AND COTTON

A great mistake made by some supporters of the proposed mandatory feed grains program was to assume that the relatively successful wheat, cotton, and tobacco marketing quota programs would apply equally well to feed grains. They were dead wrong. Farmers grow wheat, cotton, or tobacco for direct sale. Every producer is directly interested in the market price and the price support level for these crops. But a majority of feed grain producers do not sell their crops—they feed them to their own livestock. Only about one-third of the feed grain producers voting in a marketing quota referendum would be sellers of grains for cash. A larger number would be net buyers of feed grains.

Overall, less than 40 percent of the feed grains are sold off the farms where grown. To be sure, the largest and most productive farms sell a large part of their feed crops for cash. But the average size and smaller than average feed and livestock farms often are net buyers. Farmers generally are aware that an

oversupply of feed leads to cheap livestock. Yet, many who feed all they produce are more concerned about the feed production base for their livestock than they are about feed grain price support levels. Because of these differences a successful mandatory feed grains program will differ substantially from the wheat and cotton programs. We also should remember that cotton, wheat, tobacco, and rice producers were free to plant diverted acres into feed grains. Feed grain producers could not divert to other basic crops that they could efficiently produce.

VOLUNTARY PROGRAM COSTS REASONABLE

The voluntary feed grain program first enacted in 1961 and continued in 1962 is proving to be even more successful than expected. It has cut Government costs. It has increased farm income. Feed grain carryover stocks have been reduced 13 percent. These stock reductions were achieved in spite of experiencing in 1961 the best feed grain growing weather and the highest acre yields on record. If average weather prevails in the current growing season stock reductions in the next 12 months will be even greater. Contrary to expectations, participation in the 1962 program is higher than it was in 1961. Apparently a lot of feed grain farmers understand the problem and are willing to participate on a voluntary basis on the terms offered them. And even more surprisingly, perhaps, the production of the noncooperators has not increased. The July crop report shows that the 1962 acreage of corn for grain is 2 percent lower than in 1961.

We have been told over and over again that the voluntary program if continued for several years would fail because of a drop in participation and because of increased plantings by nonparticipants. I have been concerned about both possibilities. I am somewhat reassured by the higher participation in the 1962 program and the July crop report.

In my own State of Iowa, the major corn producing State, 56 percent of the farmers participated in the 1961 program. They diverted 2.8 million acres from feed grain production to conservation uses. This year 60 percent of the farmers signed up to divert over 3 million acres. The July crop report shows that Iowa farmers—including all participants and nonparticipants—reduced their acreage of corn for grain by 3 percent, or over 300,000 acres this year as compared with last.

It demonstrates that as long as stocks are excessive and are used to make payments in kind, Government stocks can be reduced and costs lowered by continuing a voluntary program. Experience indicates that in some respects the voluntary program can be tightened up and made even more effective. And, contrary to the mistaken opinions of many, Government costs for the feed grain programs have not been out of line with Government costs for the wheat and cotton programs. The value of the feed grains produced each year is more than the combined value of the wheat and cotton crops.

For the last 9 years, the costs of the feed grain price-support programs have averaged only 5 percent of the value of the crops produced. During the same period wheat price-support program costs averaged 12 percent and cotton price-supports costs averaged 8 percent of the value of the crops harvested. These costs include realized losses of the Commodity Credit Corporation and the export subsidies paid on these crops. They do not include the cost of surplus sales under title I of Public Law 480 where only local currencies are received. If the cost of these sales were included in the annual costs, those for wheat, especially, would be much higher.

Feed grain program costs in relation to the value of the crops protected have been low. But they appear even lower in relation to the value of feed crops, livestock, and livestock products sold. Feed grain supports—and storage programs—have stabilized and prevented substantial declines in livestock prices. For the last 9 years feed crop, livestock, and livestock product sales have averaged about $20 billion a year. During this period average price support costs were less than 2 percent of the value of these products sold. No other mandatory price-support program has equaled this record for low costs in relation to the value of the incomes stabilized.

Fully as important, since the acreage diversion payments under the current voluntary program are paid for in kind; that is, by the sale of feed grains from Government stocks, the real or net cost to the Government is less than the value of the payments to the producers. The net cost to the Government of the voluntary feed grain program is running less than 8 percent of the value of the crops protected or about 2 percent of the value of the feed crops, livestock, and livestock products sold.

These costs are lower in terms of value of crops protected than the costs for the mandatory price-support programs except tobacco.

There has been far too much misinformation on this point. The net cost of the voluntary feed grain program is not only less than under the 1958 legislation, on a value-of-product basis taking into account surplus sales for local currencies—it is less than half as costly as the wheat and rice programs. Voluntary feed grain program costs on this basis also are substantially less than for the mandatory cotton and peanut programs.

FEED GRAIN SURPLUSES AS RELATED TO ACREAGES DIVERTED FROM WHEAT AND COTTON

There has been far too little attention directed to, and understanding of, the extent to which the wheat and cotton programs have diverted acreages into feed grain production. I do not oppose these programs at this time. They have been effective in protecting and maintaining wheat and cotton producers incomes but consideration must be given for their effects upon other commodities.

Without them income from the sale of wheat would have fallen nearly one-half and income from the sale of cotton would have fallen 15 percent or more. Yet the fact remains, since 1952–53, feed grains were increased 13 million acres in the Mississippi Delta, Plains, and Western States where 13 million acres have been diverted out of wheat and 8 million acres out of cotton production largely as a result of farm programs—Agriculture Information Bulletin 239, table 9. March 1961.

In the period 1954 to 1960, these 13 million additional acres produced 8 to 10 million tons a year, or a total of 50 to 70 million tons of feed grains. These 50 to 70 million tons of feed grains produced on diverted wheat and cottonlands may be compared with the carryover stock of feed grains in 1960 of 85 million tons.

A decline in feed-grain acreages in other parts of the country offset a part of the diversion to feed grains from wheat and cotton in the Mississippi Delta, Plains, and Western States. But the record is clear: the national net increase in feed grains in the past 10 years of 8 million acres has been largely the result of acreage divisions resulting from the wheat and cotton programs. Thus a large part of the buildup in Government stock of feed grains was almost directly the result of the wheat and cotton programs.

FEED GRAIN PROGRAM BENEFITS CATTLEMEN

While major benefits of feed-grain adjustment and price-support programs in the first instance flow to the producers of feed grains, feed grains are only a third of all feeds utilized in livestock production. And since all feeds to an extent substitute for each other, feed-grain producers, as a result of competitive forces, cannot avoid sharing their gains with producers of range forage, hay, and pasture. Feed-grain adjustment programs, by holding the supplies of feed grains in check, increase the value of all other feed supplies.

Livestock producers also benefit from feed grain programs which hold supplies in check for the balanced supply of feed grains keeps livestock production from exceeding market needs. Economic studies indicate that if we do not continue a feed grain price support and land retirement program similar to the present one we must expect a decline of $2 billion or 10 percent in the income from sales of feed grains, livestock and livestock products within a few years.

If, however, we continue programs similar to those at present we can expect further increases of $1 to $2 billion in livestock producers incomes in the near future. The projected differences between no program and an effective feed grain program in cash income from the sale of livestock and livestock products is $3.5 to $4 billion or 15 to 20 percent.

And, contrary to much misinformation which has circulated in the cattle producing States outside the Corn Belt, economic studies demonstrate that effective feed grain programs help rather than hurt cattle raisers.

Economists at the land-grant colleges and in the Department of Agriculture have projected a drop in cattle prices to $15 to $17 per 100 pounds by 1965 if feed grain and wheat programs were discontinued. Income from the sale of cattle

and calves would be at least 10 percent lower than if effective programs are continued.

With smaller marketings of all meat animals resulting from balanced feed grain production both fattened and unfattened beef cattle prices would be higher than otherwise. Producers of feeder cattle for fattening receive 30 to 40 percent of their income from the sale of cull breeding stock. Although the feeding margin would be wider on grain fattened cattle to cover the higher cost of feed grains, the higher value of fattened animals would permit stable or higher prices for feeder animals.

The higher prices for cull breeding animals and stable or higher prices for feeders would result in income improvement for cattlemen even though they did not produce any feed grains.

Cattlemen who oppose feed grain adjustment programs overlook the effects of competitive economic forces. Under competitive conditions prevailing feeder cattle prices would not be adversely affected by balanced feed grain supplies and higher prices for finished animals and prices definitely would be higher for cull breeding stock.

FEED GRAIN ACRES DIVERTED TO PASTURE REDUCE PRODUCTION TWO-THIRDS

Under the current programs acres diverted from feed grains and wheat are put to conserving uses—except for a few special crops. Pasturing is permitted only in drought or flood areas. This gives the programs their maximum effectiveness in reducing total farm output.

If it were necessary to reduce the Government cost of programs, however, cattle raisers would not be hurt and the livestock industry would benefit from a program which merely diverted feed grain acreages to pasture. For the Nation as a whole, it is estimated that if pasturing were permitted on the acres diverted from feed production, the feed value of the pasturage would be equivalent to only one-third of the feed grain production avoided. Such a program would be two-thirds as effective as the current program in holding total farm output in check.

Equally important a transition period would be provided because most of the pasturage would be utilized by beef breeding herds and would not increase market supplies of beef cattle for another 2 or 3 years. Projections indicate total feed utilization of beef cattle would be increased by 2 percent or less by a feed grain adjustment program which diverted feed grain acres to pasture as necessary to balance feed grain production with market needs. This would be fully offset by the improvement in market prices for cattle resulting from the smaller marketings of all other meat animals and livestock products, associated with smaller feed grain supplies.

STABLE PRICE SUPPORTS AND CONTINUED ACREAGE DIVERSION NEEDED

In view of our experience with the current voluntary feed grains program, if it is continued for another year or two after 1963, carryover stocks will be reduced to desirable levels of approximately 40 million tons. Once stocks are reduced to desirable levels acreage diversion programs can be reduced almost one-half, and costs can be reduced in proportion.

Recent weather investigations carried on by Dean Thompson of Iowa State University indicate that unusually favorable weather has contributed substantially to the high corn and grain sorghum yields in each of the years 1958 through 1961. Two-thirds of the increase in corn yields in the central Corn Belt States in 1961 over 1960 could be explained by the unusually favorable weather—the most favorable weather on record—according to Dean Thompson.

The amount of acreage diversion needed from year to year to keep feed grain supplies in balance with market needs, of course, will depend on the trend in acre yields. The trend in acre yields, in turn, will depend on the rate of increase in fertilizer use and other technical improvements and on the weather.

As I see it, if we are to avoid a major decline in feed grain and livestock prices and producers' incomes we must maintain stable price supports. We must draw existing carryover stocks down to desirable levels and prevent future major buildups. We must divert as much feed grain acreage each year to unharvested conservation uses or pasturage as necessary to accomplish these objectives. We also must prevent further diversions from other lines of production, such as wheat or cotton to feed grains.

I am confident Government costs can be reduced even further if an acceptable program can be developed to accomplish these objectives. I have always favored programs wherein all producers can share in their benefits. I hope that the administration and the Congress will be able to develop a more acceptable mandatory feed grains program in the next 12 months than the one that was defeated this year.

But, the situation is not without hope even though a mandatory program patterned closely on the successful wheat and cotton programs is unacceptable. Feed grain stocks are now being reduced. Reduced production on the part of cooperators is not being offset by increased production on the part of noncooperators. Government costs are being reduced and will be even lower when no further stock reductions are necessary.

With stable price supports, authority to sell stocks at up to 10 percent below the support level when stocks are excessive and reasonable acreage diversion payments—utilizing payments in kind when stocks are excessive—feed grain and livestock producers' prices and incomes can be stabilized at 20 to 30 percent higher levels than under free market conditions. And these results can be achieved at costs which are not out of line, on a value-of-product basis, with the price support costs for wheat, cotton, rice, and peanuts.

I hope it will be possible during the coming year to get general agreement on some guidelines from which a program can be developed that will provide reasonable prices in the marketplace, less direct involvement by the Government, less cost to the taxpayers, and stable plentiful supplies for consumers at reasonable prices—after carefully studying the present situation as outlined above—and somewhat to my surprise—I am of the belief that such a solution is possible.

Mr. ROBISON. Mr. Chairman, I suppose my vote against H.R. 12391—the most recent version of the Food and Agriculture Act of 1962—will, in some quarters, be interpreted as an act of negativism. I also suppose that if this bill is defeated—as I hope it is—the Republican minority of this body will once again be cast by the President in the role of a villian tying the heroine of progress on the rails of obstruction.

However, the plain truth of the matter is that this legislation—like the earlier bill—originated out of the White House by way of the Secretary of Agriculture, leaving it up to Congress either to accept or reject it, and I, for one, am not about to convert myself into a rubberstamp merely to avoid the appearance of obstructionism.

This bill is not a good one—even as stopgap legislation—and the reasons why it is not good, either for the farmer or the people, have previously been expressed by such of my colleagues as the gentleman from Maine [Mr. McINTIRE] with whose remarks I wish to associate myself.

If for no other reason, I would also have to oppose this bill solely on account of the dairy provisions still therein contained, which are not only unworkable but are also designed to lay the basis for future stringent production controls on milk and milk products which I am certain the dairy farmers I represent are totally unwilling to accept.

Still, those of us who continue to oppose legislation that trends in the direction of this must have an alternative. Without such an alternative, our position is somewhat less than responsible. A partial alternative—if no new legislation is adopted this year—is automatically provided for us in the form of the 1958 act, to which we would revert for corn and other feed grains, and the 1949 act, to which we would revert, apparently, for wheat. Perhaps both of these former programs are defective in one way or another, under today's conditions, but it is my considered judgment that they are preferable to the feed grains and wheat sections of H.R. 12391, and will be considerably less expensive to operate.

As for the dairy surplus problem, much of that was caused by the scramble to build bases set off by announced plans to seek production quotas, and a bumper crop stimulated both by favorable weather conditions and the Secretary's unfortunate decision to raise price supports a year ago this March. All of these factors would be missing this year, and milk production might well seek a more realistic level on its own without further tinkering.

But these automatic alternatives are little better than stopgap measures on their own. For the long run—as I have always felt—we must embark on a new course as soon as possible, turning off the road of greater and greater Government control and on to one designed to restore a free market in farm products within the shortest possible time. This can be done and—I believe—without undue hardship for our farmers by recourse to a land-re-

tirement program such as that now advanced by the American Farm Bureau Federation, or by adoption of some such a program as that recently advocated by the Committee for Economic Development designed to divert those people who should not, any longer, be in the farming profession—people who have been held virtual captives in that profession by just such legislation as that before us today—into some more useful and truly productive line of work.

I know that there will be those who will say that such a course is neither practical nor possible—but I wonder if they will recognize that they, too, by so saying, might just possibly be negative obstructionists?

Mr. JENSEN. Mr. Chairman, I had hoped that this Congress would pass a bill such as the bill I introduced, which provides for very liberal payment in kind instead of paying cash out of an already bankrupt U.S. Treasury for reducing the production of feed grains.

There is, I am pleased to say, a provision in this bill now before the House, which permits a producer of feed grains to accept partial payment in kind, which is a step in the right direction. Many of my colleagues, and hundreds upon hundreds of farmers in my district and elsewhere, who have made a study of my bill have asked me why Congress does not see the logic in my bill and pass it. To that question there can be but one answer. The powers that be in the Department of Agriculture must be fearful that, if my bill is made law, thousands of the brethren who are now drawing good pay in the Department, would soon be out of a job, due to the simplicity of administrating the law. Hence they oppose it. Here is an explanation of my bill H.R. 11941. I hope we can pass it in the next Congress.

H.R. 11941 is a complete farm bill, easy to understand and to administer, and which, if enacted into law, will quickly reduce the huge price-depressing surpluses of feed grains at little cost, while at the same time provide great benefits to our farmers nationwide, and do it on a voluntary basis with no penalties imposed on any farmer. Participation will be no problem because of the liberal benefits provided. Here are the principal provisions in my bill in a nutshell, and in understandable language.

H.R. 11941 provides for liberal payment in kind to the farmers who reduce by at least 10 percent but not more than 33⅓ percent, the number of acres they had in corn, oats, rye, barley, grain sorghum, soybeans, or flax seed production, on an average during the previous 2 years. Such reduction entitled a participating farmer to receive a Government certificate valued at 80 percent of the average previous 2 years' production on the idled acres. This certificate entitles the owner of same to withdraw grain in kind from Commodity storage for his own use, or else he can sell his certificate to a neighbor, grain dealer, or to anyone else except back to Uncle Sam. For example, if the average yield of corn during the previous two years was 70 bushels per acre on the idled acres, the farmer would receive 80 percent of 70 bushels, or 56 bushels of high feed value corn for each acre so idled, and if lower feed value corn is accepted, the participant would receive more bushels in ratio with its feed value, should he elect to take the corn from CCC bins for his own use.

By this method, it is estimated that the average acreage reduction would be about 20 percent below the previous 2 years' production. Added to that reduction would be the automatic 20 percent reduction in available grain brought about by allowing 80 percent withdrawal instead of the full 100 percent.

As I said at the outset, if the bill is made law it will, as you can readily and clearly see, quickly reduce the price-depressing surpluses of all grain. Nothing in my bill affects the conservation reserve law now in effect, nor does it affect the present payments for certain soil conservation practices, and so forth.

The Secretary of Agriculture shall provide for sharing of certificates among the producers on the farm on a fair and equitable basis. H.R. 11941 does amend the Watershed Protection and Flood Prevention Act in a number of respects, as recommended by the Chief of the Soil Conservation Service as does the committee bill now before the House.

Now in conclusion, I can only say that all who have knowledge of our farm problem and its causes will, I am sure, after studying my bill come to but one conclusion, which will surely be that if H.R. 11941 is made law, the farm problem will soon be solved, and over a billion dollars annually of our already overburdened taxpayers will be saved.

The taxpayers of the United States now own over $5½ billion worth of feed grains, and it is all paid for; I ask in all seriousness, why not use it to solve the farm problem and to pay the bill?

Now Mr. Chairman since I have learned by counting noses of the Members of the House, a majority of whom are already committed to support the bill now before the House, I have decided not to offer my bill as a substitute to the committee bill.

It is now crystal clear that the committee bill is the best we can expect to pass under present conditions and circumstances, hence I shall vote for it, and because so long as the spread between the cost of everything our farmers must buy, and the price he receives for his grains, eggs, poultry, milk, and livestock, is so great, many farmers need some help to even keep his books in balance.

Mr. RANDALL. Mr. Chairman, I rise in support of the Food and Agriculture Act of 1962, H.R. 12391. First, let me say that during the debate today we have observed many Members who opposed the omnibus bill debated a few weeks ago, who were found to be in favor of the measure today. Furthermore, Mr. Chairman, it has been my observation that some Members who are supporting this bill today were the same ones who were in strong opposition to an almost identical measure a year ago. My conclusion is that surely these Members must have seen some merit in the operation of the feed grains program during the past year.

We have listened today and heard it said by several Members that this bill does not do everything that everybody would want or hope for, which is about the same as saying no one supporter is completely happy with all the provisions of this bill. Everybody has found just a little something wrong with the bill. But it is a fact that more Members spoke for this bill today, on both sides of the aisle, than for any farm bill in many years. We hope this is an indication that these same Members are about ready to take a nonpartisan stand to work out the farm problem. The fact of the matter is, a similar bill has been tried for 1 year and proven that it does work.

It is an inescapable conclusion that the majority of the membership must have recognized that the alternative to passing a bill today is a return to the 1958 law under which tremendous surpluses were built up.

It has been shown and demonstrated by actual operation that the feed grain program has worked in comparison to what would have been the situation had there been no law during the past year. This has proven workable by reducing supply below consumption levels. It reduced production of feed grains by 150 billion bushels below disappearance and will reduce wheat about 200 million bushels below disappearance. At the same time, it has increased the farmers income by about 10 percent, and with it all, Mr. Chairman, there is no showing that it has increased consumer food prices.

One of the major beneficiaries of the similar bill passed last year has been the small businessman and this has been for the reason that farmers could draw one-half of their diversion payments immediately. This became available for them to spend and gave our farmers confidence that they would have some money available which they could use to pay their expenses. Mr. Chairman, such payments might be compared to a minimum-wage provision for industrial workers. They knew they would have some source of income as a minimum. To farmers this became a sort of insurance program, but by whatever description, it provided something on which they could plan. This gave them confidence. They knew they could meet their expenses.

No, Mr. Chairman, this measure is certainly not perfect, but it is so much better than returning to the old Benson Act. The vote should pass the House by a big vote of approval.

Mr. DENT. Mr. Chairman, in the original proposal for farm legislation, Pennsylvania farmers felt that they were going to be injured by its passage.

Today we face the same problem even if it is disguised as new legislation.

What disturbs the farmers in our State is the possibility of conference action putting in the same discrimination features against the deficit feed grain States.

If this happens, then we are in the same dilemma we would have been in if the original farm bill passed.

I, therefore, believe that a few of us, who are seriously disturbed by this possibility should protest with our votes, in order that the conferees will not be footloose and fancy free with the welfare of the some 73,000 farmers in our area.

I cannot see how legislation that gives a State the size of Pennsylvania a mere $151,835 out of the better than $2 billion in the feed grain program expenditures can be supported by our Members.

JULY 13, 1962.

Re H.R. 12391.
Hon. JOHN H. DENT,
Member of Congress,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN DENT: As you are probably aware, the House Agriculture Committee has reported H.R. 12391.

The Pennsylvania Farmers' Association is opposed to this farm bill for the following reasons:

1. Costs—the so-called emergency wheat and feed grain programs have been expensive. Secretary Freeman has estimated the cost of a program for 1963 at $2,400,000.

In Pennsylvania, 17 farmers received payments of $151,835 for reducing their feed grain acreage in 1961. The farm receiving this money were large farms and incorporations; not average farmers.

The feed grain program is supposed to, but in practice does not, benefit the so-called small or even the average farmer.

2. In Pennsylvania, most of our feed grain is fed to livestock. Government programs, therefore, merely stimulate production encouraging some farmers to raise grain for Government storage which costs all taxpayers.

3. The House has already defeated one bad farm bill. The Senate has passed a bill nearly identical to the House defeated measure.

If the House were to pass H.R. 12391, it would go to the Senate-House conference committee.

Senator HUMPHREY recently stated that "House leaders expect to approve a revised farm measure extending for another year the emergency wheat and feed grain programs. This then can be used as a vehicle to salvage many of the sections of the administration bill which passed the Senate only to be beaten in the House."

This is our real fear. All of the House efforts could be washed down the drain as the conference committee adds the measures so violently attacked in the House.

The Pennsylvania Farmers' Association urges your all-out support to defeat H.R. 12391.

Sincerely yours,

G. A. BIGGS,
President.

In view of this record, insofar as Pennsylvania farmers are concerned, I have no alternative but to vote against the present farm bill.

The time has passed when we can keep draining the farmers of one State to help the farmers of areas that produce surpluses year after year and are better off financially for so doing.

Mr. Chairman, recently I voted against H.R. 11222. The arguments against the legislation emanating from the small family farms in my district were not fully contained in the RECORD.

At this point I want to put these arguments in their proper perspective while we discuss the present amended version of farm legislation.

I am convinced that the sooner we tackle this legislation from a realistic farm economy viewpoint, the better we will manage our farm problems.

There has been a great deal of talk about helping our farmers. It might be good to review the following:

NOTES ON THE FAMILY FARM

Most of the farms in the country—3.7 million in all—are family farms. This has been true since the beginning of this Nation, and I hope and expect that it will continue. The family farm nourished and trained a large part of the population of this country. Even today, when we have only 12 percent of our people directly on farms and the remainder in towns and cities, most of us have a real interest in some farm, some rural area, some open space.

The family farm is operated by and for the family. It is home and job all wrapped together, often on the same land and in the same house where generation after generation of the same family has lived.

WOLFDEN HOLSTEINS,
New Alexandria, Pa., July 17, 1962.

Congressman JOHN H. DENT,
Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: We received the copy of the Yearbook of Agriculture and thank you again for it.

From what we read, it appears H.R. 12391, the new agriculture bill reported by the House Agriculture Committee, is coming up for House consideration presently.

It is a known fact that last year's emergency feed grain program did not effectively reduce feed grain production and proved to be a very costly program to the Government. How then can reinacting it under title III of H.R. 12391 expect to do any better? We agree strongly with what you said in your letter to us on July 9, "This is archaic thinking on our farm problems."

What concerns us greatly is that if this bill is passed and goes to the House-Senate conference committee that we will end up with a final bill containing production control features of the administration bill passed by the Senate. Then the way would be paved for more and more Government control of our business.

May we again ask you to oppose H.R. 12391. We would hope that the House Agriculture Committee could produce a better bill than H.R. 12391.

Thank you for your consideration.

Sincerely yours,

BOYD E. WOLFF.
MARGARET G. WOLFF.

You will note from the following USDA chart that Pennsylvania farm population is fourth in number of farms with bases of 25 acres or less out of 30 States and second in number of acres in feed grains in 50 States:

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
Maine	1,079	96	8.5
New Hampshire	906	93	8.1
Vermont	3,482	90	37.1
Massachusetts	1,684	88	17.4
Rhode Island	240	83	3.0
Connecticut	1,802	85	21.9
New York	31,045	81	319.8
New Jersey	3,608	64	44.9
Pennsylvania	56,586	81	857.2
Ohio	57,907	55	649.2
Indiana	39,056	39	476.1
Illinois	25,749	20	296.4
Michigan	45,283	63	545.0
Wisconsin	64,528	61	796.0
Minnesota	28,001	25	357.6
Iowa	18,164	12	236.8
Missouri	46,584	48	512.5

Footnotes at end of table.

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]—Continued

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
North Dakota	2,375	6	31.7
South Dakota	2,872	7	22.4
Nebraska	4,231	8	52.4
Kansas	16,690	24	173.5
Delaware	1,840	50	22.3
Maryland	11,099	66	113.9
Virginia	56,586	89	463.4
West Virginia	20,063	96	101.3
North Carolina	*128,926*	*88*	*1,059.6*
South Carolina	50,241	87	426.4
Georgia	45,508	60	453.4
Florida	6,079	51	69.0
Kentucky	82,526	82	686.4
Tennessee	79,944	82	661.9
Alabama	62,844	73	642.9
Mississippi	82,176	89	722.1
Arkansas	31,121	91	210.7
Louisiana	31,061	91	259.2
Oklahoma	9,131	34	61.1
Texas	28,442	36	264.1
Montana	3,899	25	59.3
Idaho	4,937	54	58.7
Wyoming	1,098	39	13.2
Colorado	390	10	3.0
New Mexico	474	26	5.8
Arizona	301	23	2.3
Utah	5,538	70	53.6
Nevada	216	54	2.3
Washington	2,334	35	21.9
Oregon	4,734	53	48.7
California	1,352	18	22.6
United States	1,204,532	54	11,976.5

[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments, and was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

[2] Includes corn, grain sorghums, and barley. If oats is included, as in H.R. 11222, percentage of farms would be smaller in most States.

What better proof do we need that in most of our deliberations on farm legislation we seem to overlook the importance of this legislation to States such as Pennsylvania, Ohio, New York, and Michigan, which all too often are loosely cataloged as industrial States.

Even counting our industrial might and its importance to our economy, it is foolhardy to ignore the great need for a positive and progressive farm program for these States.

A significant factor also seldom noted is that our farms are in the main self-sustaining and therefore may be considered by the same fuzzy thinkers to be as expendable as our many industries that are being driven into oblivion by our negative trade policies.

I find no mention in our Constitution where we must serve the common good by destroying one element or section of our society to enrich another.

All of us have and are still paying our share toward the common good.

In this we have no complaint but to deliberately allow ourselves to be destroyed economically in order to build up the economic well-being of others to a point beyond the well-being of ourselves is not a constitutional nor a moral obligation.

We shall help but we must be able to help. We cannot help when we are destroyed.

DEAR CONGRESSMAN DENT: The intent of this letter is (1) to alert you to how serious Pennsylvania farmers would be hurt by the enactment of either H.R. 11222 or S. 3225,

and (2) to urge your full opposition to these bills.

Our opposition to the dairy, wheat, and other sections of these bills has been discussed with you in previous correspondence. This letter concerns itself with feed grains.

1. Considerable confusion and misinformation exists on the feed grain small farm exemption. Proponents are saying, "If you grow 25 acres or less of corn you are exempt." This is a gross untruth.

2. Bill says, "No marketing quota shall be applicable to any farm with a base acreage of 25 acres or less if the acreage does not exceed the farm base acreage" (p. 25, H.R. 11222).

3. Bill says, "Principle grains used for livestock feed are corn, barley, grain sorghums, and oats." Marketing program provides for a "single quota" applicable to all feed grains (p. 16, H.R. 11222).

4. Bill says, "acreage of wheat for farm use shall be considered as an acreage of feed grains in determining average acreage of feed grains" (p. 24, H.R. 11222).

5. Bill says, "farm base shall be average of feed grain acreage for the years 1959 and 1960" (p. 23, H.R. 11222).

6. An example:

(a) In 1959–60 a farmer grew an average of 5 acres of oats for feed, 5 acres of barley for feed, 5 acres of grain corn for feed, 5 acres of corn for silage (not exempt in bill), for a total of 20 feed grain acres.

(c) Farmer's choice:

(b) Farmer's base is 20 acres; not 25 acres. The 25-acre small farm exemption does not apply because his base is less than 25 acres.

(1) Because his base is less than 25 acres, he may stay out of the program, but he cannot grow more than 20 acres.

(2) He may choose to enter the program and accept a 20-percent acreage cut in return for price supports. Of course, this farmer feeds this grain and therefore he would not have enough production from 16 acres (20-percent cut) to feed his present livestock.

(d) If farmer desires to increase his feed grain acreage above his base, he would be prohibited. For example, if the above farmer put on 10 more cows he would not be able to increase his base acreage to feed his cows.

The only way this farmer could obtain grain to feed his cows would be to buy it and most likely at prices higher than he could raise the grain.

(e) This bill, with all of the proponent's sugar coating removed, denies farmers who produce less than 25 acres of feed grains, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

7. An example:

(a) In 1959–60 a farmer grew an average of 20 acres corn for feed, 5 acres wheat for feed, 12 acres oats for feed, 5 acres barley for feed, 1 acre rye for feed, 15 acres corn for silage, for a total of 58 acres of feed grain. (Figures from 200 Pennsylvania farms.)

(b) Farmer's base is 58 acres.

(c) Farmer's choice: because his base is greater than 25 acres he has no choice. He would have to be in the program and would come under marketing quotas with a cut in acreage.

(d) This farmer, as do most Pennsylvania farmers, use most of their home produced grain to feed to their own animals. This farmer, because of quotas, would be forced to reduce his feed grain production, and in turn, the size of his farm operation. This leads to form inefficiencies and to higher food prices.

8. As a Pennsylvania Congressman, you can readily see that all farmers raising grain and livestock (95 percent of the farmers) would be severely affected by H.R. 11222 or S. 3225.

We ask your opposition to these bills; they are not good for Pennsylvania farmers; would increase price support and administration costs, and would increase food prices.

Congressman JOHN H. DENT,
Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: As registered Democrats, we are very much alarmed by the farm program being pushed by our administration in Washington.

We thought you would be interested in how the proposed legislation of H.R. 11222 would effect us personally—as it will effect most of the other farmers in Westmoreland County.

In 1959 and 1960 the feed grains grown on our farm averaged, for the 2 years, just under 57 acres. In 1962 we have 72 acres in feed grains. Both these figures exclude wheat which is sold. All of the grains, excepting a small surplus which is sold, is consumed by our livestock here on the farm. The talked-about 20 percent cutback on the 1959–60 base acreages would reduce us to 46 acres of feed grains for 1963. This would mean we would have to purchase roughly two-fifths of the feed grains for the 1963–64 feeding season. The additional expense of purchasing this feed grain would sharply reduce our net farm income, both by its cost and by lowering the operating efficiency of the machinery which we have purchased over the past few years.

Simply speaking, H.R. 11222 would prevent us from growing sufficient feed for our own dairy herd. Also, most farmers we know in Westmoreland County grows feed grains only for their own livestock's use.

We ask your wholehearted opposition to H.R. 11222.

Thanks for your cooperation and we would be interested in learning your stand on this issue.

Sincerely yours,

BOYD E. WOLFF.
MARGARET G. WOLFF.

WESTMORELAND COUNTY
FARMERS' ASSOCIATION,
New Stanton, Pa., June 4, 1962.

Hon. JOHN H. DENT,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: Thank you for your letter of June 4, asking for my appraisal of the NFO letter sent to you May 22.

The letter stated: "Those who believe in so-called free markets and the elimination of the Government from the picture, they will for the first time have a chance to vote for this." To me this is a gross untruth, the bill provides no realistic choice and I'm sure you're aware of the strong-arm tactics stipulated in the bill. In essence, farmers are given no choice; they either accept the Government program of supply control or face the threat that the Government will dump millions of tons of grain on the market to depress prices. This does not sound like America to me.

Of course, the NFO people are in the surplus part of the country and would have an advantage—they're near the surplus suppliers and could buy all the cheap feed they could handle. Pennsylvania farmers would be adversely affected, as this cheap feed would encourage production in dairy, poultry, and livestock in the western part of the country and would reduce our income.

At the present time 95 percent of Pennsylvania's farmers feed all the feed grains they produce. We hav no need for price supports and we certainly have no surplus of feed grains in this State. H.R. 11222 would cut our feed grain acreage to the place we would not be able to produce enough feed to feed our livestock. We're being paid $3.60 per hundredweight for milk; how are we going to be able to go to market and buy our feed grains?

The administration's 1962 farm bill would be bad for all Pennsylvania and northeastern farmers, taxpayers, and consumers.

Sincerely yours,

Mrs. NANCY FUNK,
Legislative Chairman.

P.S.—I can certainly see this bill would be good for Government planners and supply managers who want their jobs to be bigger, last longer, and cost more money.

JUNE 8, 1962.

Re H.R. 11222 and S. 3225.

Hon. JOHN H. DENT,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: The farmers of the Commonwealth of Pennsylvania are greatly disturbed about the farm legislation now pending before the House.

Several Pennsylvania farmers, Democrats and Republicans, devoted a good farming workday, June 6, to contacting their neighbors on H.R. 11222 and S. 3225 because of the serious affect these bills would have on their farm operations.

The results of the June 6 contacts were as follows: (1) 300 nonfarmers' association members contacted—260 farmers paid $15 to join the Pennsylvania Farmers' Association to help fight pending farm control legislation; (2) 1,600 Pennsylvania Farmers' Association members contacted—1,550 Pennsylvania Farmers' Association members said they would ask their Congressmen to oppose bills and would explain how bills affect their farm operations.

Typical comments:

"I raised an average of 30 acres of feed grains in 1959–60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price supports would make my grain costs higher; price supports are of no value to me because I feed all of my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production; I raised 12 acres of feed grain in 1959–60—I could not raise any more because my base is 12 acres under this legislation; the 25-acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals."

The vast majority of the farmers in Pennsylvania are opposed to the farm legislation now pending before the House. Consumers should also be opposed; food costs will rise; farm program costs for storage could decrease but these costs would be more than offset by payments to farmers—the net result will be increased farm program costs to all taxpayers.

The above information is for your use and serious consideration. As president of the largest organization in Pennsylvania, having an active membership comprised of people who earn over 50 percent of their income from farming, I urge your opposition to the farm bills now before the House.

In a poll taken in the 21st District of Pennsylvania, 87 of all who responded expressed opposition.

NEW ALEXANDRIA, PA.,
May 28, 1962.

Congressman JOHN H. DENT,
Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: We, the undersigned, are writing to reaffirm our opposi-

tion to the Food and Agriculture Act of 1962, now know in its amended form as H.R. 12391. We ask that you vote to defeat this bill.

Although the dairy section of this bill has had production quotas eliminated, we feel this bill, if passed, would be only one step from regulating dairy farmers with quotas as is stipulated for corn and wheat.

Also no cost of administration is given the bill. We think this figure would be large. For example, to enforce the dairy section which calls for payments for reduction of production, a large staff would have to be maintained at taxpayers' expense. We know only too well that dairymen are numerous and located in most every county in the United States.

May we again urge your support for the two farm bills sponsored by the American Farm Bureau Federation. These being H.R. 9722 and H.R. 10247, both introduced by FRANK CLARK and yourself. These bills attempt to achieve maximum results per dollar spent—a fact all taxpayers will appreciate.

Sincerely yours,

Hill Topper Advisory Council of the Westmoreland County Farmers' Association: Mrs. Olga Hamoch, James R. Hornock, Margaret G. Wolff, Mildred Walters, Jerome Eidemiller, James E. McQuaide, Virgil C. Walters, Boyd E. Wolff, Margaret McQuaide.

PRESS RELEASE FROM THE OFFICE OF CONGRESSMAN JOHN H. DENT

Congressman JOHN H. DENT, Democrat of Pennsylvania, today called the Department of Interior to reject the Japanese bid for two 70,000 horsepower hydraulic turbines for Yellow Tail Dam in Montana. The Allis-Chalmers Co., of York, Pa., was the lowest bidder.

DENT said:

"The time has long passed when we could allow the unrealistic 6 percent differential allowance by the American and foreign bids for Government procurement to stand in the way of American jobs—6-percent differential was established by President Eisenhower reducing the differential from an original 25 percent which was in effect prior to the Eisenhower administration. If a 25-percent differential was required to guarantee American equality in competition bidding with foreign production at that time, certainly a differential of 6 percent is unrealistic and an absolute guarantee that no American company producing turbines already within the United States can hope to be successful in Government procurement.

"A practical competitive differential must be established by the President if we are not to endanger this industry. It is becoming apparent that the Government's latest in procuring foreign-made products is putting heavy pressure on private consumers within the United States to follow the lead of the Government," stated DENT.

"If private industries succumb to this pressure, the loss in American job and American production may create a national economic disaster," DENT concluded.

Mr. COOLEY. Mr. Chairman, I do not desire to yield any further time.

Mr. REUSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided,* That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act as amended, is amended by amending subsection (e) thereof to read as follows:

"(e) to cooperate with, enter into agreements with or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the

benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in conection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works in improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement of any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Conrgess through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered by sections, and that section 1 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 24, after "them" insert "and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act)."

The committee amendment was agreed to.

Mr. REUSS. Mr. Chairman, I offer an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 2, line 13, after line 12, strike out lines 13, 14, and 15, and insert the following:

"(4) by adding the following new subsections at the end of section 16 of said Act:

"'(e) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota, and Minnesota to provide financial or technical assistance for wetland drainage on a farm under the authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within 90 days after the filing of the application for drainage assistance: *Provided,* That, in States where the acquisition of wetlands has been approved by the State, the limitation against offering such financial and technical assistance shall terminate one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource. The provisions of this subsection shall become effective August 1, 1962.

"'(f) (1) For the purpose of promoting the conserva-'".

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to my colleague from Wisconsin.

Mr. JOHNSON of Wisconsin. Am I correct in saying that this is the same bill that passed the House last year by unanimous consent and is over in the Senate Committee on Agriculture at the present time?

Mr. REUSS. That is correct; with very minor technical exceptions, it is identical.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to assure the gentleman that I am making every effort I can to get it out of the Senate Committee on Agriculture. This is the same bill that passed the House by unanimous consent a year ago and is now over in that committee and I hope that the chairman of the House Agriculture Committee will try to help to get it out of that committee.

Mr. REUSS. Mr. Chairman, I might say to the gentleman from Wisconsin that this amendment which I am offering today passed this body by an overwhelming vote as recently as June 20 but, of course, disappeared with the failure of passage of the first farm bill itself. It is also quite correct, as my colleague has said, that this amendment, in bill form, unanimously passed the House last September 1961, but has unfortunately been before the other body ever since without any action's having taken place.

I regret to say that unless we can bring it before them in a conference report, I do not anticipate that action will be taken. I can think of no conservation measure more important than to end the indiscriminate payment of taxpayers' subsidies to farmers, particularly in the prairie area, to drain the last vestiges of wet lands where our ducks and geese on the North American Continent are bred.

A recent report from the Federal Fish and Wildlife Service shows that the population of American waterfowl is at an 11-year low already, as the result of the subsidization of land drainage projects. More than half of these breeding places have been drained in the last 10 years. So I think it is important that a measure directed at preserving one of our great American resources, our wild waterfowl, that annually bring so much joy not only to the hunter and naturalist but to every American family, should be enacted.

Mr. GATHINGS. If the gentleman will yield, I am wholeheartedly in favor of the gentleman's amendment. The Committee on Agriculture approves it, and I hope the gentleman's amendment will be agreed to.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to compliment the gentleman on his amendment and support it wholeheartedly. I hope the amendment is adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Texas.

Mr. POAGE. I want to explain to the House that I was the chairman of the subcommittee that heard the testimony on this subject. We reported it favorably. I voted for this proposition each time it has come before us. I think it is a sound and proper approach. However, I do not think that this farm bill should be made a vehicle on which to attach all of the desirable proposals that each and every Member of the House has with any hope of passing a farm bill. It will be the purpose at least of the leadership of the committee to oppose all amendments which are brought before us.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield.

Mr. ANDERSEN of Minnesota. I think that purpose is very commendable.

Mr. POAGE. I thank the gentleman. I think the passage of a farm bill at this time happens to be of even greater im-

portance than the passage of the wetlands bill. I supported the wetlands bill. I will support it again when it is before us in proper form. But I do not believe that it is the proper thing to try to put all of these measures on this bill. The only comfort I get out of this is that it is obvious that there are Members of the House who now believe that the farm bill is going to pass. They see that this is something that is going to happen this afternoon and think that this is a good chance to try to tie something to the bill and get passed what they have not been able to get passed otherwise. I would not say this wetlands bill could not pass on its merits, because I think it has merit to pass.

Mr. REUSS. As the gentleman says, he has been considerate and unflagging in his effort to help me on this amendment, which is now an old chestnut, because I have been putting it in for 4 years. At the same time, I am sure the gentleman was not referring to the gentleman from Wisconsin when he talked about people who were looking for a free ride on a bill to get legislation through, because this farm bill before us has among its statement of purposes "to conserve natural resources," and I cannot imagine anything more dedicated to conserving natural resources than a bill to conserve waterfowl.

Mr. POAGE. It is entirely in order, and very harmonious with the purposes of this bill. But there are many amendments, some that I wanted on this bill and wanted desperately, but I could not get them. I am not going to offer them on the floor of the House because some do not want my amendments or they would have been in the bill. That is true of every one of you who has an amendment. Some do not want your amendment or it would have already been the law no matter what it is. Let us this afternoon make a decision on whether we are going to pass a farm bill or whether we are going to try to pass somebody's special idea.

Mr. BASS of Tennessee. If the gentleman will yield, with that same logic we should not have brought the bill up, because some people do not want the whole bill.

Mr. POAGE. It is perfectly true that some people do not want the whole bill, but I am one of those who believe that the passage of a farm bill is of paramount importance.

In order to get a farm bill, many of us on both sides have made serious concessions. I want to say now while I have the opportunity that I think my colleague the gentleman from Iowa [Mr. HOEVEN] and the gentleman from Minnesota [Mr. QUIE] have made concessions. I think that on this side we have made concessions. I think we are doing the thing that is necessary to get this type of legislation, and unless we are able to keep the big objective in mind rather than seeking to do the little things, no matter how meritorious they may be, we are going to wind up here failing to do the big thing.

Mr. HOEVEN. If the gentleman will yield, I want to concur in the statement made by the gentleman from Texas. I have an amendment which I consider to be very important, which I proposed to the feed grain section, both in the committee and on the floor of the House when we considered the omnibus farm bill. Although it has a great deal of merit, I am not offering it at this time. As I said earlier in my remarks from the well of the House a while ago, it is my sincere hope that we would keep this bill within reasonable bounds and not tie a lot of amendments to it which would make it very difficult for us to act in the Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The question was taken; and on a division (the Chair being in doubt) there were—ayes 30, noes 51.

Mr. REUSS. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

(Mr. FENTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FENTON. Mr. Chairman, the Pennsylvania Farmers' Association is opposed to this farm bill first, because of the costs. The so-called emergency wheat and feed grain programs have been expensive. Secretary of Agriculture Freeman has estimated the cost of a program for 1963 at $2,400 million.

In Pennsylvania, 17 farmers received payments of $151,835 for reducing their feed grain acreage in 1961. The farms receiving this money were large farms and incorporations, not "average" farmers.

The feed grain program is supposed to, but in practice does not, benefit the so-called small or even the average farmer.

Second, Mr. Chairman, the Pennsylvania farmers are opposed to this bill because in Pennsylvania, most of our feed grain is fed to livestock. Government programs, therefore, merely stimulate production encouraging some farmers to raise grain for Government storage which costs all taxpayers.

Third, Mr. Chairman, Pennsylvania farmers have a great fear, and rightly so, because of what might happen in a legislative conference. The House has already defeated one bad farm bill. The Senate has passed a bill nearly identical to the House-defeated measure. If the House were to pass H.R. 12391, it would go to a Senate-House conference committee.

According to reports it was pointed out that House leaders expect to approve a revised farm measure extending for another year the emergency wheat and feed grain programs. Certain sources immediately pointed out that "this then can be used as a vehicle to salvage many sections of the administration bill which passed the other body only to be beaten in the House."

This, Mr. Chairman, is the real fear of the Pennsylvania Farmers Association. All of the House efforts could be washed down the drain if H.R. 12391 is adopted.

I, therefore, urge the House to defeat H.R. 12391. Rather than have this kind of a bill become law, the Pennsylvania farmers desire that no new farm legislation be passed at this session. The act of 1958 would then go into effect for corn and other feed grains in 1963. If given opportunity to work, this program would be preferable to the costly and ineffective emergency feed grain program.

If no legislation is enacted and wheat support prices are allowed to remain at the minimum permitted under the Agricultural Act of 1949—and already announced by the Secretary of Agriculture for the 1963 crop—there will be a reduction in export costs on the order of $128 million in addition to an estimated saving of $345 million from the termination of land retirement payments.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production beginning April 1 this year. It would be far better to permit the program to operate without further tinkering with the support level than to adopt an unworkable program which moves in the direction of compulsory milk quotas.

Again, Mr. Chairman, in behalf of the members of the Pennsylvania Farmers' Association, and taxpayers everywhere, I want to emphasize that under present conditions the most constructive action that can be taken is for the House to reject H.R. 12391.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 5, line 15, strike out section 103.

Renumber the following sections.

Mr. SAYLOR. Mr. Chairman, on March 11, 1954, the original bill known as the Watershed Protection and Flood Prevention Act was before the House. On that date the chaiman of the committee, Mr. Hope, stated that the Flood Control Act of 1936, which was being amended by this bill, would not affect any of the 11 projects which had already been started under that original act, and that the purpose of this bill was only soil treatment of very small dams on small watersheds at the heads of the tributaries. There was absolutely no conflict between the Army Engineers and the Bureau of Reclamation.

If you will look at the amendment you will find that what they intend to do is to increase the authority of the Watershed Protection Act by allowing them to increase the size of the reservoirs. They are going to jump from 5,000 acre-feet to 12,500 acre-feet. In other words, what they are now doing is just what some of us predicted in 1954 they would be doing with this Watershed and Flood Protection Act, and that is getting into conflict with the Army Engineers and the Bureau of Reclamation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. COOLEY. I do not have the information before me, but I am under the impression that the Army Engineers have agreed to this recommendation.

Mr. SAYLOR. I went back and looked when the proceedings on the Watershed Act of 1954 were had and the gentleman from North Carolina wondered where I got the information when I read the record and the Army Engineers' recommendations in 1954. At that time they predicted that this is just what the Watershed Protection and Flood Prevention Act would do.

What you are doing is creating a third agency of Government to actually be in competition with the Army Engineers and the Bureau of Reclamation.

Mr. COOLEY. If the gentleman will yield, I understand that the Corps of Army Engineers joined with the Secretary of Agriculture in recommending this action. This matter came to my committee by the recommendation of the Department of Agriculture.

Mr. SAYLOR. I would still say that despite the fact that the Department of Agriculture wants it, it is just what some of us predicted they would be doing. They are creating another agency downtown to go around all over the country and build bigger dams. If you pass this, mark my word, the next time you bring a farm bill up here instead of this being confined to the small watersheds at the heads of tributaries, you will be asked to go down these streams and build bigger dams. This is the worst duplication of Government effort I have seen.

In 1954 you created a third agency. They are not satisfied with the size that they were given and now they want to become as big as the Corps of Army Engineers and the Bureau of Reclamation.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. McINTIRE. Those of us on the subcommittee dealing with Public Law 566 I think are perfectly aware of the fact that there is a close relationship between the Corps of Engineers and the jurisdiction of this Public Law 566. We have very diligently tried to keep these projects very much in the upstream watershed area.

This recommendation came to the committee, as the chairman has said, as an administration recommendation. The subcommittee that considered this, after going over the many projects which we have reviewed, felt that stepping up the size of these reservoirs was not in serious conflict with the corps, because we felt that the total program kept us very well within the upper portions of these watersheds. I appreciate the gentleman may have a different viewpoint, but certainly it is not the intention of the committee that this change will be a major change or that it will attempt to go farther downstream.

Mr. SAYLOR. What the gentleman is saying is that an increase of 2½ times in the size of the reservoir you are going to build will have no effect? This I do not believe. I hope this section will be stricken from the bill.

Mr. JENSEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. Chairman, it has been my great pleasure for the last 25 years or more to work with the Soil Conservation Service in the great job they have done for all of the American people.

There was a time when the Army Engineers did not cooperate fully with the Soil Conservation Service. But that day has passed. The Army Engineers and the Soil Conservation Service are now working hand in glove to do a good job for America.

The Army Engineers only operate on navigable streams. These amendments simply provide that the Soil Conservation Service under the Watershed Act, which is so popular in America, will have the authority to build low dams on small streams and just on small tributary streams. It simply makes the Soil Conservation Service and the Army Engineers more effective in the flood-control and soil-conservation program.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The gentleman from Iowa [Mr. JENSEN] for the last 20 years or more has been one of the leaders relative to watershed protection, and I believe the Members of the House should listen to him today. Certainly the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] should be defeated.

Mr. JENSEN. I thank the gentleman.

The gentleman from Minnesota, H. CARL ANDERSEN, is one of the coauthors of the Watershed Act. He knows this amendment is not in the best interests of our country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. There is another leader in the soil-conservation field, and a good one, BOB POAGE. I am happy to yield to my friend.

Mr. POAGE. I thank the gentleman.

I would like to call the gentleman's attention to the fact that the Soil Conservation Service has approved this section, and the Bureau of the Budget approves it, and they told us that the Army Engineers had agreed to this.

Mr. JENSEN. Yes.

Mr. POAGE. The proposal here is to deny to the Soil Conservation Service the right to build dams of 12,500 acre-feet.

Mr. JENSEN. Yes.

Mr. POAGE. With the idea that somebody else will build them.

Can the gentleman tell us how many of less than 12,500 acre-feet the Army Engineers have built?

Mr. JENSEN. Very few.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

The Clerk read as follows:

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows: "In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title II be considered as having been read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. If there are no amendments to title II, the Clerk will read title III.

The Clerk read as follows:

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 feed grain program

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "65" and inserting "50" and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided,* That no producer of malting barley shall be required to participate in such special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley as described in section 105 (c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

Subtitle B—1963 wheat program

SEC. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963

crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7. U.S.C. 1340 (7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to paymetns determined as provided in subsection (b) upon compliance with the conditions hereinatfer prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1)(i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1)(ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b)(4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a)(2) of this section, shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect ex-

cept for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c) (2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

SEC. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emegency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 321. The Community Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform

price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

With the following committee amendments:

Page 13, line 7, strike out "65" and insert "90", strike out "50" and insert "80", and following "by" insert "striking out the colon and the proviso thereof and by".

Mr. LATTA. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA to the committee amendment: Page 13, line 7, strike out the figure "80" and insert the figure "90".

Mr. LATTA. Mr. Chairman, this is the amendment that I discussed under general debate. It merely eliminates the figure of 80 percent which appears for the 1964 feed grain crop and inserts in lieu thereof the figure 90. I would provide 90 percent of the previous 3-year average market price for the purpose of determining the price support rather than 80 percent. Permit me to recall a little history. Mr. Benson advocated 90 percent and was condemned for it by the Democrats. Now these same Democrats, with the support of the Democratic administration, ask that this 90 percent figure be reduced to 80 percent.

Mr. Chairman, this is a very simple amendment, but I think the record ought to show that 80 percent means about 84 cents a bushel price support for corn or about 52 percent of parity, and that under my amendment 90 percent would mean price support of 94 cents per bushel or 58 percent of parity.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. In other words, the gentleman feels that 58 percent of parity is low enough.

Mr. LATTA. I would put it in another way, that 52 percent of parity as proposed in the present bill is too low.

Mr. ANDERSEN of Minnesota. The gentleman is absolutely correct. Even 58 percent is pitifully low.

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had not intended to speak on this bill, because I thought we had made some progress. When we were considering the farm bill before this House a few weeks ago, we were confronted with the realistic proposition that if we had no legislation, we would revert to the 1958 Agricultural Act, otherwise known as the Benson feed grain program, which provides for unlimited production with a guaranteed support price of 65 percent of parity or 90 percent of the average 3 previous years, whichever is higher.

Under the 1958 act you would have unlimited production, which would permit a grower to use all that he could produce and then store and sell to the Government the remainder of the crop.

Mr. Chairman, in committee Mr. FINDLEY of Illinois felt that this was too high. The Farm Bureau organization has felt down over the years that we should not have a rigid program, that we should have a flexible program, and they provided that it should be 90 percent of the average of the three past years. Putting it another way, it would be 10 percent less than the year before.

Mr. Chairman, the gentleman from Illinois [Mr. FINDLEY] felt that that was too high and that it should be 80 percent, or 20 percent less than the average of the previous 3 years. If we are going to have controls, then we should have support prices. If we have unlimited production we should not have supports and ask the taxpayers to pick up the tab. That is exactly what has happened under the 1958 program.

Mr. Chairman, when the Secretary of Agriculture assumed office, the biggest worry he had at that time was the fact that we were going to have surplus corn and wheat and feed grains stacked out all over this country for which we would not have warehouse facilities to take care of the unlimited production with the guaranteed support price.

Mr. Chairman, we have been able to reverse that trend with a temporary program which has been voluntary, that has worked for 2 years, but which in itself is self-defeating if carried on over an extended period. The amendment of the gentleman from Illinois [Mr. FINDLEY], which I seconded, carried in the committee. This amendment is presently in the bill and provides for 80 percent of the average of the past 3 years. Now it is true that will bring us down to about 52.5 percent of parity starting in 1964. But you cannot have your cake and eat it too. That is exactly what the amendment calls for which has been offered by the gentleman from Ohio [Mr. LATTA].

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman.

Mr. ABBITT. I would like to say that I concur in what the gentleman is saying about this provision in the bill.

Mr. JENNINGS. I appreciate it.

Mr. ABBITT. If the gentleman will yield further, I would like to say that in my opinion this provision in the bill is one of the provisions in the bill that is a step in the right direction in attempting to solve the storage problem.

Mr. JENNINGS. That is exactly right.

Mr. ABBITT. This is one of the main provisions in the bill so far as making a start looking toward reducing the storage bill.

Mr. JENNINGS. That is right.

Mr. Chairman, I know that most of the Members have received a letter from the great Farm Bureau organization. They say it is too drastic. They oppose this amendment because it would make the transition from the present costly and ineffective programs to a free and prosperous agriculture more difficult.

Mr. ALBERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I agree with the point of view taken by the gentleman from Virginia [Mr. JENNINGS], and I am going to support the committee on this bill and oppose all amendment, even though there are amendments that I would like to offer.

Mr. Chairman, I think we must keep in mind what we are trying to do here. First, with respect to feed grains, and second, with respect to wheat. Now what is the situation with respect to feed grains? We have a permanent law on the books known as the 1958 act which guarantees 65 percent of parity, or a little over a dollar a bushel, for unlimited production of corn and feed grains.

The provision in the committee bill does not curtail production but it does two things that I think are important. In the first place, it discourages excess planting because it says to the farmer who grows an excessive amount of wheat that he is going to get less than he would get under the 1958 act. I think it is consistent with what has happened under many programs that as the support price is lowered the incentive to plant excessively is reduced.

Again, Mr. Chairman, if there is excess production and if the Government does have to take over a portion of the crop the cost to the Government will be less. It is simple arithmetic that when the Government takes over grain at 65 percent of parity it will cost the Government more than it would cost to take over the same grain at 52 percent of parity.

What is the situation with respect to wheat? We have a permanent law on the books with respect to wheat that allows commercial wheat growers to plant a national allotment of 55 million acres. The ability of the wheat farmer to produce wheat on an acre of land since that law went on the books has increased by at least 20 percent. The national allotment is too high. In addition to that we have a 15-acre exemption which allows any farmer, whether he has ever planted wheat before or not, to plant 15 acres and to put that wheat

into the market in competition with wheat planted under acreage allotments.

This bill is a long step in the right direction. It requires a mandatory cut of 10 percent in acreage allotments. Even though the support price for this 1-year period will be higher, the take-over will be less. It does not make any difference what the price is, if the Government does not have to take over any wheat it does not cost the Government anything. The important thing is that we are cutting down production, we are cutting down the need for the Government to take over the excess production of wheat and feed grains. This is one of the most important things that this Congress can do for the American farmer and for the American taxpayer.

I hope sincerely that all of our colleagues on both sides of the aisle in the interest of sound government will support this bill without any crippling amendments, and let us be on our way in an effort to try at least to take a step toward solving this very important problem.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I have listened to most of the debate this afternoon. I have not heard what we may expect if this bill is passed and goes to conference, and I wonder whether the chairman of the committee can tell us whether or not we may be confronted later on with the bill that was defeated some 2 weeks ago?

Mr. COOLEY. Mr. Chairman, I am quite certain that we will not be faced with that bill or anything like it. I said in my opening statement that I did not anticipate that we would bring any such bill as that back to the House. We shall do the best we can to sustain the bill as it goes out of this House. But everyone must appreciate that we cannot go to conference unless the Senate takes some action. Whether they will take action on this bill or not, I do not know. I assume they will. But if the Senate does not take action, we have discharged our responsibility to the farmer and to the Nation.

Mr. GROSS. I am pleased to have that assurance from the gentleman, and I thank him. I understand that he cannot speak for the conference, but it is reassuring to know that if this bill is passed the House will not likely be confronted with the one that was defeated here some time ago.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my colleague from Iowa.

Mr. HOEVEN. Mr. Chairman, I have every reason to believe that the conferees on the part of the House will sustain the position of the House if and when this bill is passed. Under the parliamentary procedure, the Senate bill having been tabled in the Committee on Agriculture, there is nothing to go to conference on at the present time. It will be necessary for the other body to act upon the House version of this legislation.

It is my understanding that the bill will be laid on the Vice President's table, and one objection will prevent it from being taken up. So it would seem to me that the bill of necessity must be referred to the Senate Committee on Agriculture and Forestry, and then they can work their will. I am very hopeful that the committee in the other body will accept the House version. If they do not, then the bill will go to conference. I have every reason to believe that the House conferees will sustain the position of the House if this bill is passed in its present form.

Mr. GROSS. I thank the gentleman for his statement and his assurance.

Speaking for myself, I intend to hold my nose and vote for this bill as the lesser of the evils. It would be my hope that the day will come soon when we have a farm bill that will make it possible for American farmers to obtain the fair share of the national income. I want to see a cost-of-production farm bill with limitations upon pounds and bushels with cost-of-production prices paid in the market places as consumers pay for all other products. I want to go back to the old McNary-Haugen bill and bring it up to date. It was twice passed by Congress, and twice vetoed, I regret to say, by a Republican President. I say to you, if the McNary-Haugen bill had been in effect in the late 1920's this Nation would never have been plunged into the depths of the depression of 1932. I am talking about the American farmer being paid cost-of-production prices, and in the market places, for that portion of his production necessary to feed and clothe the people of this Nation. Today he continues to sell on a buyer's market and he buys on the seller's market. This bill will not provide the farmer with his rightful share of the national income but I am convinced it is preferable to a return to the 1958 act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. LATTA] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. FINDLEY. Mr. Chairman, I move to strike out the last word.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, this is probably the last major farm legislation to be considered in the 87th Congress. As a freshman Member of this body, I considered it a privilege and an honor to be assigned to the Committee on Agriculture.

I am one of four freshman Republicans on the committee, and I am sure I speak for all four in expressing our sincere appreciation to the senior minority member of the committee, the Honorable CHARLES B. HOEVEN, of Iowa.

The gentleman from Iowa [Mr. HOEVEN] has assisted freshman members of the committee far beyond the call of duty, and has opened the door of opportunity to us. This is particularly true in my case. He has given me opportunities which he could quite properly have reserved to a more senior member of the committee including himself. I take this means of saying thanks, a very sincere one.

Although this bill contains modifications I myself offered in committee, I voted against approval in the committee because, in total, I feel it is bad for the farmers, bad for our private enterprise system in merchandising grain, bad for those who love freedom and oppose supply management, and bad for all taxpayers.

The modification of the 1958 act I sponsored, the amendment referred to by the gentleman from Virginia [Mr. JENNINGS], leaves provision for 1964 incomplete. This modification would get away from artificial pricing of feed grains, and in my opinion—and, I believe, in the opinion of most farmers—that is desirable. It is a move to strengthen the marketplace system. However, as I stated in committee before the vote was taken, the Secretary would then have the power to release our big surplus stocks at less than market prices. A Secretary committed to the supply management approach, like Mr. Freeman, would thus have a marvelous opportunity to discredit the revised 1958 act, and thereby weaken resistance to a supply management proposal like the one defeated by this body June 21.

In committee I urged further revision of the 1958 act to avoid this hazard. No action was taken, and that defect in regard to the 1964 program is one of the reasons I oppose this bill.

If the modified 1958 program were coupled with a surplus disposal plan similar to my proposal, H.R. 8306, we would, I believe, have a sensible, direct and effective way to restore a marketplace system in feed grains.

My other reasons for opposing this bill are:

First. The risk that Senate conferees may succeed yet this year in putting over a compromise which would provide mandatory feed grains controls for 1964, if not for 1963. The only way to avoid this risk is to pass no general farm bill this year. The first session of the 88th Congress will afford opportunity to tackle the farm problem once more, and perhaps by then the forces of freedom will be in a still stronger position.

Second. Extension of the feed grains program for 1 more year will strengthen the position of the economic planners. It will mean 1 more year of a costly boondoggle, and will increase the hue and cry of those demanding a tough straitjacket control bill.

Third. One more year of this program will prolong the misery of the private enterprise merchandising system which has served our grain industry so well through the years. This misery, caused by the administration of the feed grain program, has become so acute that Chicago longshoremen union leaders openly charged earlier this year there is a group in the Department of Agriculture bent on destroying free enterprise.

Fourth. The feed grains program is excessively costly. I cite no less an au-

thority than Secretary Freeman, who says it will cost $1.2 billion if extended for 1963. If the accomplishment of this program is about the same as it was in its first full year of operation, taxpayers will have to pay about $4 for every dollar gain in reducing surplus stocks.

Surplus reduction amounted to about 233 million bushels in corn equivalent in 1961, at a cost of about $1 billion. That figures about $4 for every bushel cutback, and corn is worth about $1 a bushel on the market.

Fifth. The dairy section would get the dairy industry in a still worse mess than feed grains, because of the difficulty the Secretary will have in keeping track of elusive dairy cows. The slippage under the feed grains program amounted to $150 million in the first year of operation, and the slippage ratio would undoubtedly be still worse in the proposed dairy section.

Mr. Chairman, we are entering in the final stages of the consideration of farm legislation in 1962. I am fearful of the consequences.

H.R. 12391 is a hodgepodge of ideas, time and time again.

One June 8, 1962, the Friday before the debate of H.R. 11222 by the House—which was defeated by the House of Representatives—Secretary of Agriculture Freeman transmitted to every Member of Congress a letter with attachments, in which he condemned severely the extension of the emergency wheat and feed grain programs. He inserted a table on page 2 of a letter to Chairman COOLEY—which was a part of the attachment—showing that an extension of the 1961–62 emergency program would cost $2,417 million, that is, $1,200 million for the feed grain program, and $1,217 million for the wheat program.

During the debate in the Senate on the administration supply-management control program Senator ELLENDER pointed out time and time again how expensive and unsatisfactory these temporary programs were. It is strange that one week Mr. Freeman condemned this program and the next week he recommended its passage.

Obviously, it is the plan of the administration forces to get to conference with the Senate and agree to a simple 1-year extension of the emergency wheat and feed grain program as contained in H.R. 12391, with the proviso that a permanent control program for wheat and feed grain be effective in 1964 and thereafter.

The Secretary of Agriculture has indicated that the proposed dairy section will save the Federal Government some $65 million. This is incredible when one looks at the facts. The provisions of subtitle C simply pay a farmer to reduce his milk production, but there is nothing to prevent this same farmer from selling his cows to a neighbor where they will stay in production. The chances are we will come out with more milk at the end of the year under the provisions of the subtitle than we would under the present program. Certainly, we can expect the proposed dairy program to be more expensive than the present one.

One of our colleagues labeled this provision the "rocking chair program for dairy farmers." I hope that the entire bill, H.R. 12391, is defeated. But we must strike out subtitle C in any event.

The primary reason for administration support of this provision is to set up a base on every farm in the United States in order to be ready to move in with supply-management control in the dairy industry early in 1963.

This is a foot-in-the-door provision and should not be allowed to pass.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 13, after line 9, insert the following:

"(1) Section 105 of the Agricultural Adjustment Act of 1949, as amended, is amended to read as follows:

"'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level not in excess of 90 per centum of the parity price therefor as the Secretary determines to be appropriate in consideration of the factors set out in section 401(b) hereof and as he determines will not substantially increase Commodity Credit Corporation stocks of corn, grain sorghum, and barley: *Provided, however,* That if the Secretary determines pursuant to the above that the level of price support for corn would be as high as 50 per centum of the parity price for any crop of corn, he shall prescribe acreage allotments for such crop of corn, grain sorghums, and barley, and the level of support for such crop of corn shall not be less than 50 per centum of the parity price therefor.

"'(b) Beginning with the 1964 crop, price support shall be made available to producers for each crop of barley and grain sorghums at such level of the parity price therefor as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

"'(c) If acreage allotments are prescribed for any crop of corn, grain sorghums, or barley, a single acreage allotment known as a "feed grain allotment" shall be prescribed and shall include all three such commodities.'

"(2) Section 401(c) of the Agricultural Act of 1949, as amended, is amended by inserting after the first sentence thereof the following: 'If acreage allotments are prescribed for any crop by the Secretary pursuant to this section, no price support shall be made available to producers of such crop who do not comply with such acreage allotments.'

"(3) Section 330 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: 'This provision shall not be construed to prevent the Secretary from requiring compliance by the producer with acreage allotments prescribed pursuant to section 401(c) of the Agricultural Act of 1949, as amended, as a condition of eligibility for price support.'"

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the distinguished majority leader.

Mr. ALBERT. I would like to say to the gentleman that I had at one time suggested a provision of this kind. I think it has a great deal of merit, but I hope, in view of the almost unanimous support we have from the Committee on Agriculture on this bill, which is a considerable improvement over the permanent law—I hope the gentleman will not pursue his amendment very diligently at this time.

[Mr. BASS of Tennessee addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. POAGE. Mr. Chairman, I think we have simply got to recognize that we are faced with a situation that does not enable us to get exactly what we want. I am in full agreement with the gentleman from Tennessee as to the desirability—not its practicability but the desirability—of eliminating all supports where you do not have any controls on production. I recognize that this bill, as just amended by the committee amendment, leaves supports with unlimited production of feed grains at 20 percent below the average price for the last 3 years. That presently figures out at 52 percent. The gentleman from Tennessee asked why we did not fix it at 50 percent of parity. We fixed it at 52 percent, and in the next few years the drop in the market price will bring it to at least 50 percent of parity. I will not tell you that 50 percent of parity will stop production moving into the warehouse. It will slow it down, but it will not stop it. I would rather see it as the gentleman from Tennessee suggests, but I know, and I think this House knows, we cannot pass that kind of legislation. The committee passed on that and defeated it by a vote of 20 to 11. The committee rejected this amendment by a 2-to-1 vote.

The reason we rejected it is we want a bill, and I repeat what I said a while ago, we believe it is extremely important to get legislation. It is not a question of who is right or who is wrong here. There are those who do not believe in any controls. I do. There are those who do not believe in them. There are those among us who do not believe you should support unlimited production at any price. I am one of them, but there are those who believe we should. In order to get the majority of this House, we must compromise those views. We have compromised these divergent views, and I think in a very fair manner. We have achieved within 2 percent of what the gentleman from Tennessee told you we should achieve. We come within 2 percent of the exact figures that he mentioned.

Is that not pretty close to doing a reasonable job? That puts additional pressure, maybe not enough, but it puts additional pressure on every Member of the House, regardless of which State he represents to try to bring about a new bill.

You heard the gentleman from Iowa say and the gentleman from North Carolina say that next year we will try to get a complete revision of the act of 1958. Is it not better to make a very

substantial step that we can make this year and try to take the rest of the step next year than to try to take a long step which most of us think you cannot take this year? I would rather get part of something than to get all of nothing. I think the gentleman from Tennessee is offering us an opportunity to get all of nothing.

If he attempts to get too much, we are not going to get any kind of a bill. You are not going to get any modification of the 1958 act. You are not going to make any progress whatsoever. Is it not better to make reasonable progress which we know we can make, and make it now, than it is to talk about getting something which we cannot probably get at this time?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not also true that the gentleman is sweeping many of these problems under the rug? If the amendment offered by the gentleman from Tennessee were adopted, perhaps we would have the courage to come back and face the issue. Perhaps we would try to do something worthwhile, instead of taking this tiny step which does not mean a thing, which does not help anybody from the urban areas who are being taxed for this program. As far as I am concerned, if this amendment is not adopted, I am going to offer another amendment.

Mr. POAGE. It is simply a matter of judgment whether you can get it or whether you cannot get it. I can't see how we can get all the gentleman from Tennessee wants right now. I think it is better to take what we can get now and try to get more next year.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment before us offered by the gentleman from Tennessee [Mr. BASS] was fully discussed in committee and was voted down by a vote of 22 to 11. It is a very drastic amendment which would repeal the entire Agricultural Act of 1958. It was agreed, when this amendment was offered in committee, that the committee next year would examine all phases of farm legislation, including the act of 1958. We should have full hearings in which the Department can be heard as well as our farm organizations. A drastic amendment like this must be most carefully considered.

We should try to work out constructive legislation. The amendment would also reimpose acreage allotments which the House repealed in 1958 as being absolutely unworkable. Whether or not they should be reinstated can only be determined after full and adequate hearings.

If the gentleman from Tennessee is so distressed about the act of 1958, let me call to his attention that this legislation was enacted by a Democratic-controlled Congress.

Mr. Chairman, I hope that this amendment will be defeated.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I agree with you that it was enacted by a Democratic Congress, but we only adopted this legislation after a Republican President had vetoed five good farm bills. This was the last resort and my amendment was first adopted by our committee by a vote of 22 to 9.

Mr. HOEVEN. The responsibility is still on the Democratic-controlled Congress which passed the legislation.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when we had the other farm bill here a few weeks ago, which I opposed, I expressed the opinion then that the 1958 act should be repealed; that we should go back to a system of acreage allotments and a level of price support somewhat similar to that contained in the amendment offered by the gentleman from Tennessee. But, I have to be realistic about this situation and the prospects. The amendment offered by the gentleman, I will very frankly say, makes good sense, but when you wean a calf—and we have one to wean—you cannot wean him in a day.

Mr. ROOSEVELT. Mr. Chairman, if the gentleman will yield, I am afraid this is an old cow; not a calf.

Mr. ABERNETHY. The gentleman may be right. But, whether a cow, calf or whatnot there is some weaning to be done.

I am just as strong for the position taken by the gentleman from Tennessee as he is and as is the gentleman from California. But may I remind you of what the gentleman from Texas, Mr. POAGE, said a few minutes ago. I would rather have a little bit of something than a whole lot of nothing. We can get something by passing this bill in its present form. We will eventually get nothing if the amendment is adopted because it would stalemate the legislation and result in its eventual defeat.

We discussed this proposal in committee. It was strongly opposed and overwhelmingly defeated. It cannot be made law in this Congress; have no doubt about that.

Inasmuch as we cannot, where will that leave us if we approve the amendment in the Committee of the Whole? It will defeat the bill on final passage. Then we will be stuck with a horrible program which has been on the statute books since 1958.

What would it do to us? In 1959, the first year of the 1958 act, 315 million bushels of surplus feed grains—corn and grain sorghum—went into the Commodity Credit Corporation. In 1960 342 million bushels went into the warehouses and into title of the CCC. If we perpetuate that act, which I think we will do if we pass this amendment, because it will in the end defeat the bill, we go right back to purchasing and adding to CCC stocks 300 to 400 million bushels of surplus feed grain each and every year hereafter.

Mr. Chairman, have no doubt about it. This bill while not perfect goes a long, long way toward correcting a horrible surplus situation, and I want to correct it. I want to correct it as much as any Member of this House. If I thought there was a chance in the world for this amendment to become law in this Congress, without it pulling the bill down to defeat, I would support it wholeheartedly. I know what the situation is. I know what the temper is here today and I think you know.

If we pass the bill as is we will indeed have taken a major step in solving a difficult problem. I hope the Members will support our committee in its position on the amendment as well as on the bill.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not so sure that I am really altogether opposed to the gentleman's amendment for I certainly concur in what he and the gentleman from California say relative to their feeling that it is about time we face up to the long-term proposition. We are simply procrastinating again today, as we have done since World War II. We are not facing up to the issue foursquare.

Mr. Chairman, I can fully appreciate the temper of the House and the number of Members who have obviously committed themselves on this bill. I am not so naive as to think what I say here is going to change any appreciable number of minds. But seeing so many of my stalwart conservative friends going along with this proposition and no suggestion being made of cost, I think we ought to ask a few questions relative to what this program will cost.

Mr. Chairman, the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], when he made his opening remarks said that the bill which was defeated several weeks ago would have saved $1 billion. I think we pretty well exploded that estimate during the course of the debate on that bill.

The gentleman from North Carolina said further in his opening remarks on this bill that it would save one-half billion dollars over the current program. Now, I would simply ask upon what basis do we arrive at these figures, Mr. Chairman?

Mr. COOLEY. If the gentleman will yield, I advise him that we arrive at these figures from the testimony given to our committee by officials of the Department of Agriculture and the Secretary himself, as well as other representatives.

Mr. MICHEL. May I remind the gentleman that based upon testimony given before the Subcommittee on Agriculture of the Committee on Appropriations, the feed grain program—the one which you propose to extend—in the year 1961—this is payments alone to farmers for not growing—cost $782 million. I do not think I can be challenged on those figures.

Mr. Chairman, I would suppose that the gentleman would like to have an increased participation in the year 1962. As a matter of fact, the figures show a 3-percent increase this year, and the figure will probably approximate $900 million; will it not?

Mr. COOLEY. Yes, that may be right. But for that program our losses would have been far greater than that. We have the figures from the Secretary of Agriculture to the effect that we would save $1 billion under the bill which was defeated. I read into the RECORD today a statement wherein he says as of now it cannot be estimated with any degree of accuracy as to what the cost would be or what the savings would be. But at least we are reducing the surplus by 150 million bushels in the last year. The Government expenditure over the next 9 months will be approximately $600 million less because of the lower level of the feed grains carryover.

Mr. MICHEL. That does not reflect itself in lower storage costs or lower carrying charges so far as funds requested before our committee are concerned. The point that I am making is that there has been some concern expressed about our going back to the 1958 act. But if we did go back to the 1958 act what we would wipe out automatically would be some $700, $800, or $900 million of direct payments to the farmers, which must be regarded as a saving.

Mr. COOLEY. Oh, no; you certainly would not do that. If you go back to the 1958 act you would be supporting unlimited production of corn at a high level.

Mr. MICHEL. But the support price would not be $1.20, it would be about $1.05, would it not?

Mr. COOLEY. It would be about $1.05

Mr. MICHEL. And there would not be any compensatory payments to any farmer for not growing anything?

Mr. COOLEY. That is right.

Mr. MICHEL. Then I cannot see the logic of the argument that going back to the 1958 act will cost more.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. POAGE. Under the 1958 act, if we go back to that, the Government would support every bushel of feed grain grown, and that would be nearly 5 billion bushels. Under this act, even if the price is $1.05, that is about right; but the cost to the Government under that act where every bushel is supported will naturally be tremendous.

Under this act only that grain which is grown by cooperators will be entitled to any support whatsoever. That will amount to say two-thirds of the total produced or nearly 2 billion bushels will be grown without supports. The Government has a stupendous saving in this kind of a program as compared with a program that supports every bushel.

Mr. MICHEL. But, Mr. Chairman, concern has been expressed about what additional corn or feed grains would go into storage, and I think that concern is ill-founded, because that amount which we find in storage today, 76 percent of it, was accumulated before the enactment of the 1958 act. I will admit that under our own Secretary, when he pegged the price at $1.06 for noncompliers it was a bad omen but I did not buy that kind of proposition. Some fears have been expressed here about going back to the 1958 act. I do not have that fear. As several of the gentlemen have suggested, we ought to be going forward with a long-range program that would really come to grips with the problem, and the 1958 act would be a good starting point.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think during the course of this debate somebody spilled a little powdered milk down here. But to get away from these rural analogies of the calf and the cow, I would like to get to a little city analogy. This amendment of the gentleman from Tennessee is a kind of a teaser. It promises much but offers very little. In effect, it allows the Secretary of Agriculture to support the price of feed grains from zero to 90 percent of parity as contrasted with the formula which we propose which is 80 percent of 3-year market average, which ties the hands of the Secretary so that he cannot go as high as the gentleman from Tennessee [Mr. BASS] would permit. I think he is being a little bit specious, because the fact of the matter is that the price supports on many crops are too high and Secretary Freeman has raised them on all of them. A much more productive amendment would be to lower the minimum price support for wheat. As the majority leader has suggested, the minimum acreage for wheat will produce a surplus every year and there is a higher minimum price for wheat specified in the law than would be specified for feed grains under this committee amendment which the gentleman from Tennessee seeks to change. So I say he is being a little bit specious. We have settled this issue in our committee. We are trying to pass a bill which will help the farmer and save Uncle Sam money. I hope the committee is supported in this effort.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. ABERNETHY. I think the gentleman has made an excellent point. Under the amendment of the gentleman from Tennessee the Secretary of Agriculture could fix the price support on corn at a considerably higher level than he could under the committee bill; is not that correct?

Mr. HAGEN of California. Exactly. That is correct.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. BASS of Tennessee. Regardless of what the Secretary sets the price support at, if it is above 50 percent of parity he must control the production. That is the key to the whole thing. He can support it at 100 percent of parity, as long as you do not overproduce.

Mr. HAGEN of California. The price support would be available only to those who would cooperate, but if you made it high enough, say 90 percent of parity, you would get 85 percent of participation and a great loss to the Government.

Mr. BASS of Tennessee. The gentleman does not understand my amendment.

Mr. HAGEN of California. I am quite familiar with the gentleman's amendment. It clothes the Secretary with authority to support corn and feed grains from zero to 90 percent of parity, a ceiling much higher than was contained in the committee bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. BASS of Tennessee. Mr. Chairman, I ask for a division.

The question was taken, and on a division there were—ayes 40, noes 156.

So the amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 32, following line 6, add the following:

"(m) If with respect to the 1963 crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increases hall be made under this subsection in the wheat acreage allotment of any farm for such crop if any wheat other than such kind of wheat is planted on such farms for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U.S.C. 1340(6)) and section 326(b) of this Act relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection, and not to the increased allotment under this subsection. The land use provisions of section 313 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I am offering an amendment here which would permit the Secretary to exempt classes of wheat if he finds they are in short supply. The amendment provides that whenever the Secretary finds acreage allotments for farms producing any kind of wheat that would be inadequate, the wheat acreage allotments can be increased in such amount as to make it adequate. No increase would be given to farmers who raise any kind of wheat

which is not of that type which might be in short supply. This will not in any way take away acreage from anyone because of the National, State, or county allotment. It also will not increase the history on any farm. It just permits the Secretary in 1963, if he finds that some type of wheat might be in short supply, to require a reduction in the production only of the types of wheat in surplus.

Mr. Chairman, I am offering this amendment because in the committee I offered it, but was asked to withdraw it and offer it on the floor of the House instead. This I agreed to do. This is the same amendment that the gentleman from Virginia [Mr. JENNINGS] offered to the bill last month, which amendment was carried. This is an amendment which will protect the consumers of types of wheat that might be in short supply. For instance, in the Dakotas and in Montana and Minnesota 1961 was a dry year, a drought, and the production was less than half. The drawdown being what it was from the Commodity Credit Corporation stocks, another year like that, would cause a short supply in Hard Spring. This could happen to the Soft wheat in the Midwest as well.

To give you an idea that wheat is not just wheat and that there are different classes and varieties of wheat, I would like to point out that Hard Red Spring wheat is grown in the Dakotas, Montana, and Minnesota.

Hard Red Winter wheat is grown in the Great Plains area, Kansas and adjacent States.

The Soft Red Winter wheat is grown in the Central States from Illinois on east.

The Soft White wheat is grown out in the Pacific Northwest.

The Hard Red Winter wheat and the Hard Red Spring wheat is used for flour for baking bread.

The Hard Spring wheat is in such demand because it has a high protein content and is needed for baking, mixed with the lower protein Hard Winter wheat which is in such surplus.

The Soft Red wheat and the White wheat is mainly used for pastry and crackers. If they are in short supply, then there would be a short supply of those commodities.

Durum is used in macaroni and spaghetti and in the past 2 years there has been similar legislation as this amendment for Durum wheat.

Mr. Chairman, I think this is a necessary amendment which should be adopted because when you look at the wheat that is in surplus, you see that 1,138 million bushels or 82 percent of the total carryover is Hard Red Winter wheat.

Hard Spring wheat amounts to 177 million bushels which is a little less than 13 percent of the stocks, and the remaining kinds of wheat are hardly significant.

So, Mr. Chairman, I urge my colleagues to support this amendment which the House has already adopted once before. All we would be doing now is to adopt the same amendment to this bill. It is a highly necessary amendment in order to protect the consumers of the types of wheat that might be in short supply.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. JENNINGS. I want to associate myself with the remarks of the gentleman from Minnesota. This is exactly the same amendment I offered when the farm bill was before the committee a few weeks ago. It was accepted at that time. I think it is a good amendment. It does not give the Secretary undue power; as a matter of fact, it does not give him nearly the powers that we gave him in the sugar bill. I see nothing wrong with it. It does not add to the history for growing purposes; it does assure bakers and confectioners that they will have sufficient quantity of the wheat they need.

Mr. QUIE. I thank the gentleman. I want to point out that this will not reduce the acreage of the Hard wheat growers in the Plains States. No one will take any acreage away from them next year or any year thereafter.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the reason we have a big surplus of wheat in Government warehouses is because we have had so many leakages in the program. We have had a national allotment that is too big. We have had a 15-acre exemption, which is too big. We have had exemptions for noncommercial States, that have been too big. As a former chairman of the wheat subcomittee during the last administration it was my privilege to conduct hearings on this very subject. Appearing before the subcommittee was a former Assistant Secretary of Agriculture, Marvin McLean. He testified that the reason there was at that time no surplus of Soft Red Winter wheat was that Soft Red Winter wheat had been shipped out of the country under the Public Law 480 program to the tune of some 100 million bushels within the previous 12 months. Now we are either going to cut down on these programs or we are going to continue to fill Government warehouses.

I hope this amendment like all other amendments will be rejected.

Mr. COOLEY. Mr. Chairman, I join with the distinguished majority leader in asking for the defeat of this amendment.

Mr. DOLE. Mr. Chairman, I rise in opposition to the amendment and associate myself with the remarks of the majority leader and the chairman of the committee.

I might point out that this matter is very complicated. I happen to represent a Hard Red Winter wheat area. Our wheat farmers have already been cut down to 29 percent in many areas. This amendment would have an adverse effect on the Hard Red Winter wheat areas. If the law provides for more Soft Red Winter wheat we are naturally going to use less Hard Red Winter wheat.

I hope the amendment will be defeated.

Mr. DOMINICK. Mr. Chairman, I just want to associate myself with the gentleman from Kansas. It has been demonstrated, I think, fairly conclusively, that the reason there is no surplus of Soft wheat in the Commodity Credit Corporation is because it deteriorates more rapidly; therefore, they ship it overseas almost immediately. It is the Hard Red Winter wheat that is retained and it is in surplus supply for this reason.

Mr. QUIE. This amendment takes care of the need for Soft Red wheat. It is true that the Soft Red winter wheat is exported in a very great amount. Soft Red wheat is the kind of wheat produced in the eastern part of the country. That is consumed in this country. Very little of it is exported. There is a short supply of Hard Spring wheat.

Mr. SHORT. Mr. Chairman, I rise in support of the pending amendment.

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, I realize it is late in the afternoon and the Members of the House are tired, and that this is not an opportune time to bring up that I consider is a very important aspect of farm legislation. It is well to remember this provision is incorporated in the bill that the Senate passed a few weeks ago. This at long last is one of the first steps that has ever been taken to recognize the difference in the degrees of use of different classes of wheat. One of the greatest inequities that has ever existed in any agriculture legislation has been the lack of any provision to recognize the varying degrees of usages for the various classes of wheat. I think it is fitting and long overdue that this amendment be given favorable consideration here today. The amendment does not go as far as I would like it to, but at least it is recognition of the need for this principle in wheat legislation. This is not a crippling amendment by any stretch of the imagination. This amendment does not take anything away from anyone. I think we can all accept it on that basis. This is a provision that should have been, as I mentioned a moment ago, written into the first wheat legislation ever passed by the Congress. If we are to have production regulations in the interest of helping wheat farmers maintain a decent price for their product and to prevent the buildup of surpluses, it must be recognized that some classes of wheat are not in surplus, and some classes are in much greater degrees of surplus. Also, the use made of certain classes of wheat must be recognized, and whether there is a dollar export demand, the percentage of the wheat used for domestic purposes and the percentage of production exported under Public Law 480.

Let me give you some figures to clarify the situation.

During the 10-year period from 1952 to 1962, here is what happened to the carryover from year to year.

In 1952 there was a carryover of 97 million bushels of Hard Red Winter wheat. That is the kind grown in the southern Great Plains. In 1962, and this is just an estimate, but I assure you it

is close, the estimated carryover will be 1,127 million bushels.

In other words, the carryover in this 10-year period of Hard Red Winter wheat has multiplied by about 11 times.

In 1952, the supply of Soft Red Winter wheat, the kind that is grown in the Eastern States, used for crackers and that sort of thing, was 16 million bushels. This is a small item in the total supply. In 1961 this had declined to 12 million bushels, but in 1962 it had increased to 30 million bushels.

I would like to say to the gentleman from Kansas before I run out of time that if his farmers in Kansas are restricted to planting 30 percent of their acreage to wheat, the wheat farmers in North Dakota are restricted to planting about 25 percent of their total acreage to wheat.

On Hard Red Spring wheat the variety raised in the Northern Great Plains and mostly in my State of North Dakota, in 1952, 10 years ago, the supply was 117 million bushels. In 1962, 10 years later, that supply had increased to only 171 million bushels. It had increased by about one-third, or about 54 million bushels. Thirty some percent compared to about 1,100 percent for Hard Red Winter wheat.

Durum wheat in 1952—this again is rather a nominal amount—the supply was 15 million bushels. In 1962 it was down to 2 million bushels. We passed special legislation last year enabling the Secretary of Agriculture to increase the allotments of those producing Durum wheat.

Mr. Chairman, there are many statistics I could quote in reference to this matter, but we do not have time to go into them adequately, unfortunately. I would hope that the amendment might be agreed to, because I do not think it is going to adversely affect anyone and would not restrict production of the varieties of wheat which are not in surplus supply.

Mr. BREEDING. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I rise to join my committee chairman and the majority leader in their remarks in opposition to this amendment.

Mr. Chairman, I understand there are 1½ billion bushels of wheat in storage today, and I see no reason why we should open up the floodgates for other classes of wheat.

I yield to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I appreciate being recognized to join my other colleagues from Kansas in opposing this amendment. I think the reasons recited by the majority leader are about the same as I submitted when we had the this amendment before the House 3 weeks ago on the Food and Agricultural Act of 1962.

The principal objections have already been stated, but I would like to add just one more. The Department of Agriculture has this year approved a new method for the grain trade for evaluating potential milling qualities of wheat. They call it a sedimentation test. Now that we have distinguished betwen varieties of wheat, and a competitive market price is established on each variety in direction relationship to the milling qualities of that variety. Therefore I see no need for this amendment because of the differential and premium that will ultimately be offered on the desirable varieties. The farmers in these various areas now will divert their acres from varieties in overproduction to those varieties that are short, if they are short, in order to receive that premium price.

So, Mr. Chairman, I urge the defeat of this amendment. It is just another hodgepodge approach to solving a very serious farm problem. Let us pass the bill as it is. And, if we look at this whole question again—and I know we will look at it next year—if this proposal has merits it can be included in a bill by the Committee on Agriculture for the consideration of this body in the next session of the Congress.

Mr. COOLEY. Mr. Chairman, in an effort to agree on time, I ask unanimous consent that all debate on the title now under consideration be concluded in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SMITH of Iowa. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this title close in 45 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. AVERY. Mr. Chairman, reserving the right to object, I do not have a copy of the bill before me. Does this particular title encompass both feed grain and wheat and that is all?

Mr. COOLEY. That is all.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SMITH of Iowa. Mr. Chairman, reserving the right to object, how many amendments are there at the desk?

The CHAIRMAN. The Chair has no idea how many amendments will be offered.

Mr. SMITH of Iowa. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, may I make a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. ROOSEVELT. Would such a unanimous-consent request preclude 5 minutes for the maker of a motion on a substitute to the amendment?

The CHAIRMAN. If the time is limited to 5 minutes on this amendment, that would apply to a substitute.

Mr. ROOSEVELT. Then, I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. COLLIER. Reserving the right to object, does that mean that an amendment to any amendment offered in this limited time would then be under a limitation?

The CHAIRMAN. Yes.

Mr. COLLIER. Then, I regret I will have to object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, I rise in support of the amendment as presented by my colleague, the gentleman from Minnesota [Mr. QUIE]. I do so for two very specific reasons. I think that this amendment will strengthen the bill in the two points that it is primarily designed to accomplish; namely, that it does not further aggravate the surplus problem and, secondly, that it would alleviate the problem to the farmers, to the consumer, and to the taxpayers. Why do I say that this is true I say it for these reasons: That any legislation that is going to deal with the surplus problem has to be versatile enough so that it will permit our agricultural factory or our agricultural production ability the opportunity of producing what our needs are.

Mr. Chairman, it is most essential that our agricultural programs be versatile enough so that it is able to respond to the needs of the Nation. Remember, this amendment deals only with a situation in the event that there is not a surplus and there is a need. If you cannot respond to those needs, then what happens? You find that this situation will materialize: Either imports come in and take away the market or some kind of a susbtitute grain is brought in which again takes away the market. Once you have lost the market you cannot get it back. Then you move into further surplus problems and further aggravation of the problem about which we are talking today.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I shall be pleased to yield to the gentleman from Montana.

Mr. BATTIN. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Minnesota as well as those of the gentleman from North Dakota.

Mr. LANGEN. I thank the gentleman for his observations and I am pleased to note that he has recognized, as I have, what the exact need for this amendment is. In view of these points I recommend to the House that the adoption of this amendment will in its entirety improve the bill in such a manner that it will be more adaptable to providing a solution to the problem of surpluses and the burdens of farmers, consumers, and taxpayers.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT] for 2 minutes.

Mr. ROOSEVELT. Mr. Chairman, I offer a substitute amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT as a substitute for the amendment offered by Mr. QUIE: Page 36, after line 6, insert the following:

"(a) No program for acreage allotments or marketing quotas for tobacco, corn, wheat, cotton, rice, or peanuts shall be carried out under title III of the Agricultural Adjustment Act of 1938 during crop years after the 1963 crop year.

"(b) No price support for any agricultural commodity shall be provided under title I, title II, or title III of the Agricultural Act of 1949 after December 31, 1963."

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, I offer this amendment in all seriousness. What it says is this: Go ahead and pass this bill. Let us try this. Let us improve things a little bit. Let us not ask for any other amendments. But one year from December 31, 1963, all agricultural programs come to a halt. That means you have 1 year to get together and write a farm bill that makes sense, and one which we can pass without all this patchwork that we get every year.

Mr. Chairman, I do this for the very simple reason that I come from an urban area. I have supported every farm bill since I came to the Congress, and that is 7-plus years ago. But I think we in the urban areas have a right to say that we are getting a little tired of never having anyone face up to these problems. They never will face up to them until you give them a deadline at which time everything is off the books and they have to write a brand new bill. That is all my amendment does. It does not violate the precept of my distinguished majority leader, because he can have his bill this year, but by next year he had better get to work and write a decent bill.

(Mr. COHELAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COHELAN. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from California [Mr. ROOSEVELT]. I rise in support because I believe this amendment provides an eminently fair and effective approach to an increasingly serious national problem.

Mr. Chairman, in very blunt terms, nothing will be solved or resolved by the legislation before us today unless such an amendment is adopted. The pattern of overproduction, of huge farm surpluses, of billions of dollars for farm subsidies will remain and can only increase under its provisions. We would be enacting, in brief, a mere continuation of the present patchwork program of Federal farm laws which are a classic example of futility, frustration, and ineffectiveness.

I believe it is important to point out that this amendment would in no way effect the distribution of surplus farm commodities under Public Law 480, or the soil bank and soil conservation programs.

It would, however, give us an opportunity to clear away the existing maze of farm controls and price supports. It would give us an opportunity to see the forest from the trees—the problem from the existing complex of programs. On this basis we could start anew. We could start anew to build a program that would be fair and effective for both farmers and for consumers, and which would add to the productivity, health, and effectiveness of our economy and our way of life.

Mr. Chairman, I associate myself fully with the remarks of the gentleman from California, and I urge that the amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLIER to the amendment offered by Mr. ROOSEVELT: Strike out "1963" following the words "crop years after" and insert therein "1966".

Mr. COLLIER. Mr. Chairman, the purpose of this amendment to the amendment is obvious, and I hasten to admit that I do not propose to be in any way an expert in this field. But one does not have to be a charter member of the Izaak Walton League to smell a spoiled mackerel. I think the American people have also become quite convinced over these past three decades that neither the Congress nor the experts in the field of agriculture have been able to contribute anything to a permanent solution of the problem which the farm economy has been plagued with over these past 30 years. We have tried every kind of anesthesia, dope, and even surgery on the farm economy, and the patient is just as sick today as he was 30 years ago.

However, I think that to totally withdraw these programs within the period of 1 year is entirely unrealistic. It would seem to me that the proper approach to this problem would be to put the farmers of this Nation on notice that within a reasonable period of time we hope to eliminate the controls, high price supports, production and marketing controls, and so forth, and return the farm economy of this country to a basic law of supply and demand. At the same time, while I realize this I might result in fewer farmers in the country, those who survive would enjoy a better shake than the farmers of the country generally have had under Government controls of the past.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Chairman, I rise in support of the Roosevelt amendment. This amendment provides that all subsidies shall end by 1964. I certainly concur in the statement made earlier today that in supporting this amendment, what we are doing is merely serving notice that next year Congress must come up with a more workable bill. Everybody I have heard here this afternoon spoke about the shortcomings in this bill. But the committee has put us in a position here today where either we support this particular legislation before us today or force the Agriculture Department to go back to the policies of 1958, which everybody knows were totally unworkable. I do not think it is fair to put Members of Congress in this position, and therefore, while I intend to support the bill today, I think the amendment offered by the gentleman from California [Mr. ROOSEVELT] is desirable because it serves notice that next year we have no intention of being faced with the same illogical situation which confronts us today. We are not going to have a decision of not accepting legislation and going back to 1958 or accepting makeshift legislation next year if we adopt this amendment today. There are at least 302 Members in this House who have good reason to support the Roosevelt amendment, and perhaps many more.

We should adopt the amendment and then proceed to approve the committee bill mindful of the fact that if the committee tries to put us in the same position as it did this year next year by reporting a bill which will not do the job sufficiently, at least we can vote against next year's bill without returning to the 1958 farm policy.

Mr. Chairman, I am supporting this amendment because it offers me the only opportunity, under the legislative process, to serve notice on the agricultural committee that a revolt is brewing against farm legislation among those of us who represent consumers in large cities. This whole concept of farm subsidies was adopted in the early thirties to help increase the purchasing power of our Nation's rural community. It may have worked well in the late thirties but certainly it is not working today. The small, poor farmer, is getting poorer and the large, rich farmer is getting richer under the 1958 farm plan. The amendment to the 1958 bill adopted last year, which we are being asked to support today at least offers a little bit of relief in that it provides for some production control—but it just does not go far enough. I believe the consumer in large cities is getting weary of supporting these farm programs especially since the number of farmers has been steadily decreasing. The cost of the farm program keeps going up while the number of farmers keeps decreasing. Tragically, farmers leaving the farms are moving into large urban areas and because they frequently lack special industrial skills, they become a burden on the city taxpayer. This cannot go on any longer. I hope the Roosevelt amendment will be adopted so that next year the committee will report a more workable bill or be faced with the prospect of enacting no new legislation, in which event, if this amendment carries today, all subsidies would end automatically in 1964.

Permit me this comparison: They are talking about going to the moon by using a piggyback method. They are going to have a two-phase operation, using one rocket to help another get to the moon. That is what we ought to do here. We should give notice today that next year all farm subsidies come to an end if they do not come up with a good bill. There is no reason why the committee could not have given us a workable bill this year except that apparently they felt they could not get it through the House. Our Republican friends are not kidding anyone in opposing the Freeman bill 2 weeks ago and now supporting this bill. They cannot lose. If this bill is defeated the Nation goes back to the 1958 law—which everyone knows was a windfall only for the big farming syndicates. The irony is that our Republican colleagues complain about big spending and deficit Government and then proceed to force upon the Nation a farm bill which rapidly is becoming the largest single nondefense item in the budget. This is why we should adopt the Roosevelt amendment today so that next year the choice will be between a legitimate farm bill or no subsidies at all.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'HARA].

(Mr. O'HARA of Michigan asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Mr. Chairman, it is not very often that I have the opportunity to support an amendment offered by my friend from Minnesota. This time we do agree, and I do not want to miss the opportunity to state my agreement with him.

Before we got off the track we were talking about an amendment sponsored by the gentleman from Minnesota that is identical to the one put into the Senate bill by Senators from North Dakota, Michigan, and Minnesota. It is an excellent amendment. It is an amendment upon which Members from many different sections of the country can agree.

It is not true, Mr. Chairman, that one kind of wheat is just like another, any more than bread is just like cake. It is not true that any kind of wheat can be grown in any part of the country. Soil and climate must both be taken into account. I hope that after the substitute and the amendment to the substitute are disposed of, and if the substitute is defeated, the House will favorably consider the amendment offered by my friend from Minnesota.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Oregon.

Mr. ULLMAN. I support the Quie amendment. In my opinion, it is sound business to recognize in our agricultural statutes that there are different kinds of wheat. In our part of the country we raise Soft White wheat, which is not in substantial surplus, which is sold in large part for U.S. dollars on the world market, very little going under the title 480 program. This amendment would encourage dollar sales and would allow the Secretary to adjust production upward whenever the demand for this particular type of wheat exceeds the supply.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I rise in opposition to both the substitute and the amendment.

Mr. Chairman, it seems to me it is rather ridiculous for news to go out over the country that we are seriously considering abandoning all farm programs. We hear a lot of talk about taking the Government off the backs of the farmers, taking agriculture out of Government, but Government will be in agriculture for many years yet to come. I do not think it is fair for us to frighten nor try to terrify the farmers because apparently we have not been able to get together here in Congress and agree upon a better program. We had a program here just 3 weeks ago. We thought it was a good program, but it was rejected. Now we are back here with another, and we will be back next year with another and still another. I do not think we should let the city fellows come in and tell us they are going to run the farm program from now on. That is what this means. They have their programs and we have ours. We are doing the best we can. We need their votes and they need ours. I am not ready to throw up the white flag and say we do not have sense enough to solve the farm problem in America.

Mr. Chairman, I repeat and I reemphasize that the bill before us is the best we can do under the circumstances created by the defeat of the first farm bill by this body 3 weeks ago. Our Committee on Agriculture has worked hard and long hours, in developing this bill which is now nearing a vote. I want to commend the members of the committee who have worked so hard, in a spirit of cooperation and unity, to bring this bill to the House, and I am confident that this body will approve this legislation in full recognition of our responsibilities to the farmers and to all the people of the Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. COLLIER] to the substitute amendment offered by the gentleman from California [Mr. ROOSEVELT].

The amendment to the substitute was rejected.

The CHAIRMAN. The question now is on the substitute amendment offered by the gentleman from California [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. ROOSEVELT), there were—ayes 74, noes 107.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken; and on a division (the Chair being in doubt), there were—ayes 95, noes 117.

So the amendment was rejected.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: Page 19, line 20, insert:

"SEC. 305. Whoever, being a warehouseman or other person, pays or receives any fee, commission, rebate, compensation, gift or gratuity, or grants or receives any discount in connection with any sale as an inducement for or acknowledgement of the storage of any agricultural product or commodity in any warehouse shall be fined not more than $10,000, or imprisoned not more than ten years, or both."

Mr. COOLEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BASS of Tennessee. Mr. Chairman, I insist on a ruling on the point of order before I speak if it is going to be made.

The CHAIRMAN. The gentleman from North Carolina will state his point of order.

Mr. COOLEY. Mr. Chairman, I make the point of order against the amendment on the ground that it is not germane to the section to which it is offered. The section has no reference whatever to any warehouseman, or warehousing, or warehousing problem or process, and it provides no penalty for any violation of any section of the law. This amendment sets out a criminal offense in this particular program which is not related to any warehousing. Furthermore, it does not say what it amends, it just says an amendment is offered.

The CHAIRMAN. The Chair would like to remind the gentleman from North Carolina that the amendment is not to amend the section but to add a new section to title III.

The Chair would be pleased to hear from the gentleman from Tennessee.

Mr. BASS of Tennessee. The Chairman is making my argument for me. I will let him go ahead.

The CHAIRMAN. The Chair is ready to rule.

If the gentleman from North Carolina will examine the feed grains program, title III in its entirety, he will find many sections in existing law and also in the title which make the amendment germane to this title.

The Chair overrules the point of order.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield.

Mr. SISK. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the amendment.

The CHAIRMAN. The gentleman from California is recognized on his amendment.

(Mr. BASS of Tennessee asked and was given permission to revise and extend his remarks.)

[Mr. BASS of Tennessee addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GATHINGS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from Tennessee has offered this amendment in good faith. He offered it to the other bill. It was approved at that time.

Here is what I would like to say about his amendment. Let us look at it for a moment. It applies to all types of warehouses, not just grain, it applies to tobacco warehouses and cotton warehouses.

Let us see what it says:

Whoever being a warehouseman or other person pays or receives.

Here is a farmer who goes up to a cotton compress with his cotton. The cotton compress warehouseman offers him a Coca Cola or a cup of coffee or a sandwich; he is subject to a penitentiary offense and a fine of up to $10,000 and up to 10 years in the penitentiary or both.

What do you mean by "gratuities"? What do you mean by "paying or receiving"? Receive or pay and you are subject to a fine of up to $10,000 or 10 years in a Federal penitentiary.

There comes the end of the year, and the compress will send out some calendars to their customers. Would they be violating the law by sending out those calendars?

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I might accept an amendment eliminating calendars and things of that kind.

Mr. GATHINGS. What about a situation like this? What about sending out a little pen or a little pencil with your name or advertisement on it, would that be a gratuity or a gift? Let us see what the amendment says:

Whoever being a warehouseman or other person pays or receives any fee, commission, rebate, compensation, gift, or gratuity—

And so forth.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. POAGE. What about cooperative dividends, where co-ops have been storing commodities and paying dividends?

Mr. GATHINGS. They do that.

Mr. POAGE. Is that prohibited by law?

Mr. GATHINGS. It would subject them to a penitentiary offense.

Here is another situation. These cotton compresses down in the Southland sometimes have a barbecue once a year. They have a big celebration. Everyone in the community comes and a big time is had by all. Anyone who would eat that barbecue, under this amendment here, is subject to a fine and imprisonment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. For example, a chicken farmer may take some grain to the elevator. He leaves it there until needed and then brings it back in the form of feed. That has nothing to do with Government programs. As I understand it, the amendment would make him subject to a fine and imprisonment if they were not charged for housing the grain. While the amendment may have worthy objectives, it actually encompasses a great deal more than apparently intended.

Mr. GATHINGS. Well, that is a little remote but may be applicable.

Mr. SMITH of Iowa. There are thousands of such "grain banks."

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Chairman, I do not think we have yet touched on the most serious aspects of this amendment. If this amendment were adopted, actually what we would be doing is to legalize minimum warehouse rates; it is just as simple as that. It says: Commission, fee, rebate, compensation, gift, or gratuity. There are 2 classes of elevators: the country elevators and the reconcentration elevators. Now, we are not talking in this instance, as I understand, about reconcentration elevators, as they do business almost entirely with commodity credit. This would mean if a country warehouseman had a rate, say, of 1½ cents a bushel a month, a published rate, and a large consignment of wheat was offered for storage, this would preclude him from even giving a discount to a client even on a volume basis, and even though it may apply to other similar customers as well.

I am in sympathy with the intention of the gentleman. I can support the intention of the amendment, but I do not think that his amendment is prepared to accomplish what he seeks to accomplish without penalizing a regularly accepted operation in the warehouse industry. Further, fraud statutes exist in every State and should be ample to prosecute a fraudulent act. Prohibition of special treatment with a Government agency is a matter of administration not further legislation.

Mr. GATHINGS. I agree with the gentleman wholeheartedly. Practices that are customary in the usual operation of storage facilities to get business would have to be discarded or eliminated. I hope that the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS of Tennessee), there were—ayes 66, noes 111.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this title close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. STRATTON. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title III close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HARDING. Mr. Chairman, reserving the right to object, how many amendments are there at the Clerk's desk?

The CHAIRMAN. There are a number of amendments at the desk, but, of course, that does not give us any evidence of how many will be offered.

Is there objection to the request of the gentleman from North Carolina?

Mr. KYL. I object, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, I move that all debate on title III close in 40 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. STRATTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Mr. Chairman, under the procedure just adopted does this provide that all Members who were standing and who were on their feet at the time the motion was adopted will have a certain number of minutes in which to speak and to discuss any amendment which they offered and, if so, would the Chair advise as to what the length of time would be?

The CHAIRMAN. The Chair will try to divide the time equitably. It is very difficult, but the Chair will try to divide the time in an equitable manner.

The Chair recognizes the gentleman from Idaho [Mr. HARDING].

Mr. HARDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDING: Page 13, line 5, strike out lines 5 through 24, strike out all of pages 14 through 18 and strike out lines 1 through 20 on page 19 and insert in lieu thereof the following:

"SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b), and substituting the following:

"'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop, no price support shall be made available for any crop of corn, grain sorghum, barley, oats, or rye.'

"SEC. 302. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"'Beginning January 1, 1963, the Commodity Credit Corporation shall dispose of its stocks of corn, grain sorghums, barley, oats, and rye at market prices at an annual rate equal to one-fifteenth of such stocks on hand on January 1, 1963: *Provided*, That in disposing of such stocks of corn, grain sorghums, barley, oats, and rye, the corporation shall to the maximum extent practicable pursue a domestic sales policy which will: (1) insure the retention of only the highest quality stocks of such feed grains in its inventory, and (2) have a minimum adverse effect on market prices of such feed grains.'"

Mr. HARDING. Mr. Chairman, this amendment is very simple. We have heard a lot of talk from Members who did not like the act of 1958. We have heard further talk from people who think that the emergency programs are too expensive. Today, we have absolutely no controls on feed grains. All my amendment proposes to do is to

abolish all price supports on feed grains and provide for the orderly distribution of CCC stocks over the next 15 years, at a rate of one-fifteenth per year.

Mr. Chairman, for those people who are really interested in getting the Government out of agriculture, here is a rare opportunity to do so. We have several segments of our agricultural economy; namely, the livestock industry, the potato industry, the fruit industries including the citrus fruit industry, and other segments of agriculture that are surviving and often prospering without either controls or price supports.

Mr. Chairman, last month this House decided that it did not want controls on feed grains. However, when we look at the situation in 1952 and find that the 541 million bushels of feed grains in storage which today has grown to 2,784 million bushels of feed grains in storage. When we consider that the value of these commodities has increased from $740 million in 1951 to over $3.27 billion today. When we realize it is costing us over $1 million a day just to store these feed grain surpluses and that it has cost us nearly $3 billion in the last 10 years, it becomes evident that now is the time to act. A vote for my amendment is a vote for free enterprise, for economy, and for a program which is fair to the farmers, consumers, and taxpayers of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise in support of the Harding amendment, which will remove all price supports from feed grains.

I feel that the present basic farm program is a hybrid one, whose paternity no Member of this body will acknowledge. Its record is a record of failure. Over the past 8 or 10 years, farm prices have fallen more than 20 percent. Farm debt has risen almost 30 percent. Government-owned farm surplus stocks have increased from $2.4 billion to $9 billion. The cost of administering the program has more than doubled, and during the 8 years ending in 1961, this cost was greater than the cumulative cost of operating the Department of Agriculture for the entire period since its creation, 90 years before.

And yet, no one will take the responsibility for this unsatisfactory performance, because no one will take the responsibility for the program which sired it.

For years we have been stalled on dead center. Each year we march up the hill; we agree that conditions call for immediate action; we make proposals which are designed to get us off dead center; we disagree on those proposals, and then march back down the hill, with nothing done.

A few weeks ago the administration bill was before us. I supported it because I felt that it would help to get us moving, and would materially cut into our surplus stocks and cut the excess acreages which are causing us so much misfortune.

It was the will of this body that that bill should not pass. The argument raised by its opponents was that it moved in the wrong direction; that we should get the Government out of the farming business, and not deeper into it.

My position, at this time, therefore, is that since the House made its will known that it wanted less controls, I feel obligated to give it an opportunity to vote for an amendment which will move in the desired direction.

I will adopt no dog-in-the-manger attitude. Since the administration plan had more opponents than friends, I will be glad to support the plan of these opponents, rather to leave us stalled indefinitely on dead center. I invite all those who opposed the administration's bill a few weeks ago to give this proposition the most serious consideration, for it accomplishes, in one bold stroke, in the area of feed grains, what those opponents almost unanimously agreed should be done.

I feel that it is morally wrong to continue to support a program that will continue to pile up scandalous surpluses at the taxpayers' expense, without making a reasonable effort to escape this impasse which now confronts us.

We have heard here today that in spite of the billions of dollars that have been pumped into the feed grain program the surpluses continue to increase, and the real profiteers from the program, the Billie Sol Esteses, continue to thrive and flourish.

I believe that it is unfair to the taxpayers of America to ask them to continue to pay price supports to the producers of any commodity who are not willing to attempt to bring the production of their commodity into line with the ability of the Nation to consume. I could not face the farmers of Utah, if I did not at least give this amendment a fair chance of enactment.

Many of my farmers have been crying for freedom and the elimination of Government controls and price supports. Many segments of agriculture in my State are completely free of controls. Our livestock industry, our alfalfa hay producers, potato producers, producers of canning vegetables, tomatoes and cherries, and other fruits which dot the Wasatch landscape, are operating without Government controls and without Government price supports.

I feel that if we continue this program of paying high price supports to producers of feed grains with the great amount of surpluses we have at the warehouses, we are doing a disservice, not only to the American taxpayer, but also those farmers who are producing commodities on the basis of a free agricultural economy. For this reason I am going to support the amendment to remove price supports from feed grains and return the producers of feed grains to an uncontrolled and non-price-supported market where they will compete with other segments of American agriculture in a free market which many of them have expressed to me as being their desire.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. JOELSON].

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Chairman, I rise in support of the amendment, and I hope that the distinguished Chairman of the Committee will allow a city slicker the presumption of talking on a farm bill. I think all those on both sides of the aisle who are constantly talking about free enterprise will now get their chance to cast their vote for free enterprise, and those who talk about rugged individualism and self-reliance will have the chance to put their vote where their mouth is and vote for self-reliance and rugged individualism.

When a man in the city wants to insure himself against the ills of old age you tell him, "Don't be dependent, stand on your own feet, be self-reliant." Well, I think we should afford the American farmer that same privilege.

We hear talk about featherbedding regarding the worker who wants 4 hours of pay for 2 hours of work. If you are against featherbedding, and I am, why should you allow a farmer to get from his Government 4 acres of pay for 2 acres of production? I say that it is time the Government got out of this program which has grown and grown and is as fantastic now as the most bizarre chapter in "Alice in Wonderland."

I urge support of this amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield.

Mr. MICHEL. I support the gentleman's position, but I just wonder why the gentleman did not include wheat along with feed grains; probably because of $1.2 billion of capital restoration of the CCC, $600 million has got to be charged to wheat and not feed grains.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. JOELSON] has expired.

The question is on the amendment offered by the gentleman from Idaho [Mr. HARDING].

The question was taken; and on a division (demanded by Mr. HARDING) there were—ayes 101, noes 62.

Mr. POAGE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HARDING and Mr. POAGE.

The Committee again divided, and the tellers reported that there were—ayes 79, noes 111.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 17, starting on line 17, eliminate the sentence beginning with the word "To" and ending with the word "determinations" on line 20 and in lieu thereof, insert as follows:

"Any person who in any year knowingly exceeds a farm acreage allotment determined for the farm for any commodity shall not be eligible for any nonrecourse loans or price supports on any agricultural commodity, or for any payment with respect to such farm for such year, under section 8(b) of the Soil

Conservation and Domestic Allotment Act, as amended, or for a storage facility loan during such year under section 4(h) of the Commodity Credit Corporation Charter Act."

Mr. SMITH of Iowa. Mr. Chairman, the majority leader said, we want to tighten up these programs instead of making them looser. That is exactly what this does. I guarantee you it will save money for the taxpayers and make the bill more equitable for the producers. What it does is this. It says we will adjust these allotments so that they are fair to start with, and then we will say, if you do not stay within your allotment you do not get any financial support from the Government. There are some people who had a good crop history in 1959 and 1960, on the whole farm, some even had a 100-percent base. Now they can put in 80 percent and get paid for diverting 20 percent even though the 80 percent is probably really above the production they should have to start with. So we are paying something for almost nothing. They should have had them below that production without receiving a dime. There is a waste of Government money and there is inefficiency in this bill that can be corrected by this amendment. Some of the farmers had their whole farm in soybeans and they had no allotment at all in those years so it is unfair to them. What is happening is that some of them are exceeding their allotments on some crops and getting price supports on others. This causes slippage in effectiveness.

Another thing is that some of them have been exceeding their feed grain allotment. Some go out and build a bin with some help from the Government to put in surplus corn over and above their allotment.

Another thing is that some ACP money is going to people who are not staying within their allotments. I do not see how anybody can argue that we should not make those do something who receive Government money.

Mr. Chairman, this will help this bill and make it more efficient. It should have been this way all the time. When we originally passed the bill by virtue of an amendment proposed by me the authority was in it to adjust allotments but the department did not have the time to adjust the allotments in 1961 because the bill was not signed until corn planting time; but, when it was extended last fall a little amendment was put in which prevented this from working.

Although the temper of the House is to take no amendments and I know the vote will not reflect the real feeling of the House under these circumstances, I hope the conference committee will seriously consider the provisions of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The question was taken, and on a division (demanded by Mr. SMITH of Iowa) there were—ayes 14, noes 93.

So the amendment was rejected.

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 32, line 7, strike out all of "Subtitle C—Dairy" including lines 7 through 25, all of pages 33, 34, 35, 36, 37, and lines 1 through 12 on page 38.

The CHAIRMAN. The gentleman from South Carolina is recognized on his amendment.

(By unanimous consent Mr. MCINTIRE yielded his time to the gentleman from South Carolina.)

The CHAIRMAN. The gentleman from South Carolina is recognized for 4 minutes.

(Mr. HEMPHILL asked and was given permission to revise and extend his remarks.)

Mr. HEMPHILL. Mr. Chairman, what this amendment does is to strike the dairy provisions out of this legislation. At a time when we are worrying about the cost of the other programs we find here this costly legislation, which is the dairy program, which the Secretary of Agriculture, as far as I can determine, has not made a specific recommendation for. In the hearings before the Agriculture Committee I find nothing which says this is a good program, this is a needed program, this is a wanted program; not only that, but we are engaging in this new program without any estimate of the cost, not only the cost of the program itself but without any estimate of the cost of administration. So what we are doing is to open the door here to the same situation, creating the same situation which exists in other programs which are so expensive today.

What this dairy program would do would be to put the little dairy farmer out of business down in my country, put the family farmer out of business. If this dairy provision is in here it is going to put the family dairy farmer out of business. It is going to put him out of business in Wisconsin as well as down in South Carolina and in all the other places where dairying is followed. That is one of the reasons this was put in here, because it would put the small fellow out of business.

They say that the program is voluntary. Look a little further in the bill and you find language which says that the Secretary shall prescribe many things, he shall prescribe the conversion factors, he shall administer the program, and charge the cost against the Commodity Credit Corporation.

It just does not make sense for us to go into the dairy business in this legislation when there are many of us here who want to get out of the farm financing business in so many other areas.

The sole purpose of my amendment is to keep us from starting on a new program. I know people are going to say, Oh, it is voluntary; it will not amount to much. They said the same thing about all these other programs, the feed grain program and others.

I ask that my amendment be adopted.

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. Mr. Chairman, I would like to commend the gentleman on his stand and associate myself with his view.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Carolina. Title III as I understand it, would extend a revised version of the present emergency feed grain programs through 1963 and provides a so-called milk production plan in which farmers would be paid up to $2.50 per hundredweight for not producing under certain conditions.

The farmers want to make their own decisions as to the number of acres they grow and the number of cows they should milk to adequately support their families. Last year the Secretary of Agriculture raised supports for dairy products thus helping to create a new glut in dairy products. Again this year the Committee on Agriculture was asked to compound last year's error. I am happy that the committee in its wisdom did not see fit to extend these supports at artificial and unwise levels.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production simply for base-building purposes. We all know that dairy supports were reduced beginning April 1 of the present year. Let us stop tinkering with the support level. Let us not adopt an unworkable program which moves in the direction of compulsory milk quotas.

(Mr. JOHNSON of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, I wish to associate myself with the gentleman and urge the Members of the House to support his amendment.

Mr. HEMPHILL. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Wisconsin [Mr. JOHNSON] is recognized for 2 minutes.

(Mr. JOHNSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, I will tell you the people who want this section knocked out of the bill, and that is the processors. I have a list of some 360 of them that sold to the Government last year and got a guaranteed price. They are afraid that if this amendment goes through there is going to be less milk to process.

The processor makes so much a pound, regardless of how much the farmer gets. They do not want this bill because they are going to make so much overage and sell it to the Government and they are afraid there will be less milk to process.

I have before me a list showing a few of the CCC purchases of dairy products to support prices of milk and butterfat for the year 1961.

This list follows:

A few of CCC purchases of dairy products to support prices of milk and butterfat, calendar year 1961

Company	Butter		Cheese		Milk, extra grade	
	U.S. grade A or higher	U.S. grade B	U.S. grade A or higher	Process	Spray	Roller
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Armour & Co., Chicago, Ill	13,393,812	37,933	1,201,353	672,000	7,259,107	
Beatrice Foods Co., Chicago, Ill	21,184,070	129,152			8,414,515	
Berkshire Foods, Inc., Chicago, Ill	55,075,063	1,735,831				
Borden Co., New York, N.Y			4,247,136	14,616,000		
Kraft Foods, Inc., Chicago, Ill			28,266,909	17,438,400		
L. D. Schreiber & Co., Inc., Chicago, Ill	10,592,636	1,511,669	1,598,246	4,359,600		
Sugar Creek Creamery, Omaha, Nebr	6,241,720	2,461,033	34,286			
Swift & Co., Chicago, Ill	5,543,928	335,232	8,545,120		107,400	
Weinberg Bros. & Co., Inc., Chicago, Ill	14,761,430	420,268				
Total	126,792,655	6,631,118	43,893,050	37,086,000	15,781,022	

Mr. Chairman, under this proposal we pay the farmer for reducing his production and the farmer gets the money. The Government saves $1.70 on every 100 pounds of milk that is not made into cheese or dried milk or butter.

In a letter to me as chairman of the Dairy Subcommittee, the Secretary of Agriculture estimated there could be a saving of $54 million. If you want to save some money, for the Federal Government vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I rise in support of the amendment offered by my colleague, the distinguished gentleman from South Carolina. As I stated on the House floor on June 20, I was not at all happy with the omnibus farm bill then under discussion, and I must say here today that I am not much happier with the substitute bill being considered now.

The hodgepodge bill which was recommitted a month ago was a governmental straitjacket for all agriculture. Subtitle C, of title III of the present bill is a rabbit punch for just one segment of agriculture—the dairy industry.

It is now not only bad legislation—it is unfair and discriminatory legislation.

What is proposed in this bill is a double blow to the dairy producers of my State and of our country. The extension of the costly temporary, feed grain provisions for another year assures dairy farmers in grain deficit areas of having to pay continued high prices for feed. Then it seeks in subtitle C to establish what is obviously the first step toward strict governmental controls of dairy production by again attempting to set quotas based on 1961 production as a basis for payments for voluntary reductions in 1962–63.

We have already seen what this move will really lead up to, because the original proposal of the administration was the imposition of rigid controls over dairy production and the exaction of stiff penalties—even including jail sentences—for production in excess of the 1961 base quota.

Mr. Chairman, the dairy farmers in my part of the country still believe in doing for their country rather than in seeing how much their country will do for them. They do not want something for nothing. They do not want a dairy dole for producing less milk. They do not want this Congress to take the first step toward a dairy dictatorship. They do want an opportunity under the free enterprise system to produce milk in any quantity to meet such market demand as they are able to develop.

I urge adoption of the Hemphill amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The question was taken; and on a division (demanded by Mr. HEMPHILL) there were—ayes 92, noes 133.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. I reserve my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota, [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 18, line 21, insert the following:

"(4) Notwithstanding any other provision of law, in apportioning the base acreage of corn, grain sorghums, and barley to farms under the special agricultural conservation program for 1963 the Secretary, through the county committees, shall apportion such base acreage to farms on the basis of the historical acreage of such feed grains during the five-year period 1956 through 1960, giving due consideration to tillable acreage, crop-rotation practices, types of soil and topography."

Mr. NELSEN. Mr. Chairman, I realize that it is a very difficult job to get any amendment adopted at this point, but I want to call your attention to the fact that we have discussed this base period time after time on this floor. In the last session language in the debate clearly indicated that the Secretary of Agriculture had the right to make some adjustments in the event that there has been an inequality. For example, in my district there is a young man who has been denied the right to even get into the feed grain program because of his crop history. The Secretary has assured me that something can be done. The Assistant Secretay has said nothing can be done. Pretty soon somebody else comes up and says we can do something. This has been going on back and forth like a badminton game, and nothing has been accomplished. There was discussion on the floor indicating that the Secretary has failed to act and had sent no word out to the county committees to give them authority to make reasonable adjustments on farms where inequalities existed and therefore I offer the amendment for the 5-year period, which would more fairly establish a base.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. ARENDS. Let me say to the gentleman that what he is trying to do is objective and right, and everyone admits it is right, but nothing is ever done about it.

Mr. NELSEN. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I commend you on your amendment.

Mr. NELSEN. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. JENSEN. I, too, commend the gentleman because he is absolutely right. It would do a thing that would bring justice to the farmers of this country.

Mr. NELSEN. I thank the gentleman.

Mr. Chairman, I have another amendment at the desk. I may not have time to discuss it, but it provides that the Commodity Credit Corporation will not be in a position to sell their surplus grain on the competitive market at below the support price. If we reduce the support price, as we are doing in this bill, and if the Secretary wants to sell below the support price, we will find the farmer in a position of being denied a fair price in the marketplace and a very low support price from the Government.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this House will understand that this is substantially the same amendment that we voted down a while ago. This is an effort to change the historic base which we use in determining the reductions that an individual must make in order to qualify as a cooperator. Now, that acreage for 1959 and 1960 has been established on the great majority of the farms of the United States, whereas no other years have been so established.

If you change those 2 years, you are going to have to take another 2 years in which to work out the bugs of any new formula that you adopt. I do not care whether it is the years which Mr. NELSEN or someone else suggests.

Mr. Chairman, the present 2-year base has been well established. It has been worked out. We have worked out the phantom acres that people talked about. I can understand if you want simply to kill a program, then you would adopt new years and say that there are phan-

tom acres in the base. Undoubtedly there would be any new base—because nobody has a record of the planting of feed grain for those years prior to that time and it becomes a swearing match in which you invite everybody to misrepresent his acreage. Of course, everybody who has properly represented his acreage naturally feels that he is being mistreated. You will find you take away from people acreage allotments that they already have—and well established—with which the great masses of the farmers are satisfied, and you change those acres in the meantime and every one of them is going to be dissatisfied. I cannot imagine an amendment which would go further toward disrupting public confidence in a program than this one.

Mr. KYL. Mr. Chairman, I ask unanimous consent that the Clerk may read the amendment on which we are to vote.

Mr. STRATTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. NELSEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. NELSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. NELSEN. Mr. Chairman, we seem to find ourselves in this very uncomfortable, unfair position every time we are discussing a farm bill. Those of us who are not on the committee have to sit here for days and wait. So the only chance we have is to offer a preferential motion.

Mr. Chairman, it does happen that the legislation that we pass in this body is important to many of us who happen to be farmers. I would like to ask the gentleman from Texas [Mr. POAGE] how the gentleman would like to have his farm lose its complete base because of a rotation practice. The Secretary of Agriculture, who, in spite of the fine help your committee gave me and the letters that have gone back and forth, has failed to act, in giving permission to the county committees to make reasonable adjustments.

Mr. Chairman, my position is this: The only way you can get redress is to have a wider period on which to establish a base that is fair to the people that are in the farming business.

Mr. POAGE. The gentleman asked me a question. Does the gentleman want an answer?

Mr. NELSEN. Yes.

Mr. POAGE. The present law provides that your own county committee has the power—it does not have to go to the Secretary of Agriculture—to give you relief. They may refuse to do it and then you will feel badly about it, as I am sure you do. But the gentleman suggests if he changes this base he will get relief and nobody else will be hurt. The gentleman must know that there are others who have rotation practices which simply do not fit the years that the gentleman suggests any more than the years that were taken to fit his rotation practice. There is no series of years that is going to benefit everybody, and we cannot legislate simply for the benefit of the gentleman from Minnesota.

Mr. NELSEN. I want to say that the county committees have the authority; they say they have the authority. You say they have the authority. Yet my own county committee has written to me and says that there has been no directive from the Department of Agriculture in spite of the legislative history that the gentleman so graciously helped me write, and there has been no recourse.

Mr. Chairman, I join my friend, the gentleman from Iowa [Mr. SMITH] in saying that there have been some injustices that have meant financial ruin to some people because of arbitrary positions that have been taken by county committees that just refused to make adjustments to which the farmers are entitled on farms where there have been 100 years of history as to program. It is tremendously unfair and I think we should do something about it.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. SMITH of Iowa. Mr. Chairman, I join the gentleman in support of his amendment. I think there is something wrong. Anyway, I want to point out that the only reason they cannot do this is because of a little sentence that the committee put in when they extended the bill that prohibits your drawing down on somebody that has a 100-percent base. Due to this you create phantom acres.

Mr. NELSEN. I understand that some people have been hurt very much. I realize what the problem is, relative to history for base years, but this seems to be the only way that I can bring this to the attention of the Congress of the United States; that is, through a preferential motion. I have had to get up here time and time again to try to write a history that would do some good and provide some relief where it is necessary. In the particular instance to which I referred, a young man bought a 400-acre farm. It had been rented to a canning company during those base years and he lost his entire feed grain base. He writes me and says, "I bought 400 acres of land and I cannot get a feed grain base. If the mandatory bill passes what am I going to do?"

Think about that a little bit in your discussion here today. I am not blaming the chairman of the committee; I am not blaming the vice chairman of the committee. But I do say that as Members of Congress we have a responsibility to do something about inequities that do exist. I am not being unfair or arbitrary when I say that. As far as my own farming is concerned you can forget about bases. I will get along.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. JENSEN. Is it not a fact that there are hundreds of thousands of farmers in the same position you are in?

Mr. NELSEN. There are.

Mr. JENSEN. And in the same position the young man is in to whom you have just referred.

Mr. NELSEN. That is correct.

Mr. COOLEY. Mr. Chairman, I rise in opposition for the preferential motion.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. NELSEN].

Mr. KYL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KYL. How many amendments are there pending at this moment, Mr. Chairman?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry. The Chair has no way of knowing that.

Mr. KYL. I am referring to amendments that have been presented. It was my understanding that the gentleman from Minnesota [Mr. NELSEN] had two amendments that he offered in his time.

The CHAIRMAN. The gentleman could offer only one amendment at a time, the Chair will state. However, at the completion of the time agreed upon to end debate, the second amendment will be reported and voted on, but it may not be debated.

The question is on the preferential motion offered by the gentleman from Minnesota [Mr. NELSEN].

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The amendment was rejected.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 38, line 12, after "therefor," insert a new section to be numbered "SEC. 329," to read as follows:

"Section 8c(5) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended as follows: (1) by redesignating paragraphs (D), (E), (F), and (G) of Section 8c(5) as (E), (F), (G), and (H), respectively, and by inserting after paragraph (C) the following new paragraph:

"'(D) Providing for the payment by handlers (not otherwise subject to the pricing provisions of the order) in an amount not greater than the difference between the minimum prices based on use classification established pursuant to paragraph (A) of this subsection and the price of milk in the lowest use classification, for any milk or milk products sold by such handler in the area subject to the order. Such payments shall be made to the fund established pursuant to paragraph (C) of this subsection: *Provided, however,* That such payments shall not be required if a handler chooses, if so eligible, to comply with all other provisions of the order. No payments shall be required hereunder if any provision of the order is based on the provisions of paragraph (B)(i) of this subsection.'

"(2) Section 8c(5) of such Act is further amended by inserting before the period at the end of the last paragraph thereof the following: ': *Provided, however,* That the provisions of this paragraph shall not prevent the making of payments under paragraph (D) of this subsection'.

"3. Section 8(c) of such Act is amended by adding at the end thereof the following:

"'(20) All provisions of orders in effect on the date of enactment of this subsection, relating to payments such as are provided in paragraph (D) of subsection (5), are hereby validated, and shall have full force and effect'."

Mr. LAIRD. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York. The gentleman's amendment amends the Agricultural Marketing Agreement Act of 1937. The legislation which is before us does not amend that act in any way in any section. This particular amendment amending the Agricultural Marketing Agreement Act of 1937 is not germane to this bill.

The CHAIRMAN. Does the gentleman from New York care to be heard on the point of order?

Mr. STRATTON. Yes, Mr. Chairman. This amendment provides for legalizing the compensatory payments feature of the Milk Marketing Act, which was invalidated on the 4th of June by the Supreme Court of the United States, and which has jeopardized the incomes of the dairy farmers of New York State.

Mr. LAIRD. Mr. Chairman, the gentleman is not talking to the point of order. He is speaking about his amendment to the Agricultural Marketing Agreement Act of 1937.

Mr. STRATTON. I am talking to the point of order. This amendment is designed to fulfill the need for legislation which an official of the Department of Agriculture indicated in a printed news item which I read earlier was desperately needed. Title III contains certain provisions with regard to dairying. If the provisions of the Supreme Court decision are not eliminated by the adoption of this legislation, it is very likely that many farmers of New York State and other parts of the country will go out of business. Therefore, the amendment is germane to subtitle C of title III.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield if I have the floor.

Mr. COOLEY. The purpose of the gentleman's amendment is to override the Supreme Court decision?

Mr. STRATTON. That is correct. It is to provide the legal basis for the operation which has been in effect for the past 25 years but which was only recently ruled invalid by the Supreme Court.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The amendment offered by the gentleman from New York contains a matter which is in no wise related to the subject matter of the several sections under consideration. The point of order is therefore sustained.

Mr. CURTIN. Mr. Chairman, this amendment which has just been offered by my friend and colleague from New York appears to be the same amendment which was offered and defeated when the last version of the farm bill was before this committee. Although the amendment has been ruled to be not germane on a point of order, nevertheless I feel that the membership of the committee would be interested in hearing the facts that led up to the same.

The purpose of this amendment was to permit compensatory payments to be made a part of milk marketing orders and this action here today results from a Supreme Court decision handed down last month. This amendment sought to reverse that decision.

The litigation which was the basis of that decision originated in the district which I have the honor to represent and, therefore, I am completely familiar with the facts.

For approximately 25 years the handlers of milk, much of which was produced in my district and in other parts of nearby Pennsylvania, disposed of the same in an area in New Jersey which was in and around Phillipsburg, a municipality located on the New Jersey side of the Delaware River. Then the New York-New Jersey marketing order was amended to increase the geographic area that it encompassed and, in so doing, took in this area of New Jersey along the Delaware River.

Thereupon, the handlers of this Pennsylvania milk, or milk technically known as nonpool milk, were informed that, to continue to dispose of such milk in that area, they must thereafter pay an amount into a fund for the benefit of the milk producers in the area covered by this marketing order, or the producers of milk technically known as pool milk, the same to be known as compensatory payments. The amount to be so paid was designated as a blend price and, was arrived at by a rather complicated process of using an average of the price of the different classes of pool milk. The blend price was, in this case, fixed at $2.78 per hundredweight.

Now we find that at the time in controversy, which was August 1957, the handlers of the nonpool milk were paying $6.40 per hundredweight, while the handlers of the pool milk were only paying $6.23 per hundredweight. Thus it can be seen that to handle nonpool milk the handler had to pay $6.40 per hundredweight, plus the compensatory payment of $2.78 per hundredweight, or a total of $9.18 per hundredweight, while the handler of the pool milk only paid $6.23 per hundredweight.

The Supreme Court held that the intent of Congress, in the legislation it enacted on this subject, was to prevent an influx of cheap milk into an area, not to prevent competition. Therefore, this amendment would have made such type of compensatory payments permissible as a part of a milk marketing order. If ever adopted, it would certainly be an invitation for trade barriers.

(Mr. GOODELL was given permission to extend his remarks at this point in the RECORD.)

Mr. GOODELL. Mr. Chairman, I rise in support of the Stratton amendment, even though, by a technicality, it has been ruled not germane. I support the purpose of that amendment. I do so because of the confusion now surrounding this entire matter. Preferably this should be explored in hearings on a separate bill. Nonetheless, as Justice Black said in dissent in the Lehigh Valley case that produced the present problem, and I quote:

> The net result of the Court's action is to leave the farmers in the New York-northern New Jersey pool, and those in 22 other pools containing the provisions which the Court strikes down today, completely defenseless against an onslaught of outside milk that is highly discriminatory because the outside milk bears none of the burdens of pool milk.

Under the circumstances, Mr. Chairman, I support the purpose of the gentleman's amendment in order to avoid disastrous immediate effects from the Court's decision. The amendment might have given the dairy farmers and the Congress a respite while the full implications of the Lehigh case are clarified.

Whatever the outcome would have been on this amendment, however, I oppose this farm bill. It is a far, far better bill than the one rejected by the House a few weeks ago, but it is still headed in the wrong direction. It lays the groundwork for dairy controls next year. It runs the risk of reviving the regimented approach of the original administration bill when it gets to the Senate. I am beginning to feel that the Agriculture Committee as presently constituted is incapable of bringing forth a farm bill that will help the farmer back to freedom from Government burdens, bureaucracy, and subsidies. I shall oppose this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, in the heat of this debate and discussion we ought not to forget one thing, that all of the people in the United States thought that on June 21 we defeated the farm bill for this year. I also felt that was the case. Every letter that I have written since June 21 on farm legislation, whether it was the 22d, when the new bill was introduced, or later, was that a new bill was introduced. Congress understood probably there would be another bill coming up but not many of our constituents knew this. I do not think this is the time to compromise and enact a bill that has not had full hearings. People know nothing about it. I think we are letting the people of our country down by voting a farm bill in this manner.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Chairman, on several previous farm bills, I have sought to secure amendments which would give feed grain growers who also raise cotton an opportunity to plant feed grains, without penalty, on cotton acreage that has been destroyed too late in the season for replanting.

I have also sought to secure passage of an amendment which would rectify the injustice which the present legislation does to cotton farmers who during 1959 and/or 1960 chose the choice B route in connection with the cotton program.

I wish to reemphasize my position on these important matters. I shall not undertake to offer my amendments today as there seems to be no likelihood of success, but I do want to ask the Committee on Agriculture to give further study to these important problems with a view of approving appropriate legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, within the next 5 years, we may be praying for food and fiber. Today, Russia and China are crying for food and fiber. In America there are fewer farmers every year, yet our farmers are getting a smaller per capita portion of the total dollar income. In recent years our farm income has dropped 60 percent. The farmer gets on the average of about 99 cents per hour return for his labor, as compared with the minimum wage of $1.25. Both labor and the farmers are entitled to pay for their toil and sweat of their brows. Behind the Iron Curtion, collectivization of agriculture has obviously fallen on its face. In the United States 1 farmer feeds 26 people, while in the Soviet Union 1 feeds only 6. We must seek to keep farmers on the farms.

In these days of bountiful harvests we must never forget the Biblical days when there were 7 years of plenty—which were followed by 7 years of drought and pestilence. The Lord has been good to us. The farm surplus may someday be a blessing.

In the argument today, some have overlooked the excellent work of the Soil Conservation Service, the Forest Service, the Farmers Home Administration, the Rural Electric Administration, as well as FFA, FHA, and 4–H club work.

Today there is an average of only 3 inches of topsoil remaining in this world. Let us preserve it. Let us not forget that the population is increasing throughout the world. With the growing needs of mankind and the ever-increasing knowledge of farm technology the surplus problem has actually become the great paradox of our times.

Let us never forget that cold wars and hot wars are won with food and fiber. The great productivity of the American farmer is the greatest barrier that faces the Communist system. I predict that our ability to produce such plenty will be the primary means by which we win the economic war with international communism.

When farmers receive reasonable prices for their products, they purchase implements, build homes, and share in the material blessings of our society. In the Sixth District of Oklahoma, farmers are our greatest consumers. Business prospers when it produces and sells to the farmer. Workers in the towns and cities purchase farm products and other consumer items from the businessmen.

In view of our abundance, we must find the means to trade from our stockpiles with the peace-loving nations of the world. This administration has moved more directly, with greater speed, and with less hesitation and waste than its predecessor.

Many of our farm problems could be solved if we would maintain only a 1-year supply of food and fiber in the elevators and warehouses as insurance against drought, floods, famine, pestilence and war. As each new crop is harvested, the old one could be gradually eased into trade or into our food-for-peace program. The 1-year supply would be held for emergencies and would never be offered for sale or trade in the world market.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee: On page 32, after line 6, insert the following:

"SEC. 335. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with the 1964 crop of wheat by striking therefrom the following:

" 'The national acreage allotment for wheat for any year shall be not less than 55 million acres'."

Mr. BASS of Tennessee. Mr. Chairman, I will not take very much time. I have already had my teeth kicked in twice. First I had my teeth kicked in because the House approved the 1958 Feed Grains Act. Then, I even lost to Billie Sol Estes. So I am sure now I am going to lose this one so I will just let you vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I take this time only to ask the chairman of the committee a question, if I may. In this extension of this act, particularly dealing with the barley section of the feed grains, there is a provision here I note as it was in the original bill providing for the exemption of the malting variety of barley. Has the gentleman had any indication from the Department as to whether they intend to make any change in the existing provisions?

Mr. COOLEY. As to the malting varieties that have now been designated, I have received no such indication and I do not have any information on the subject. I assume that the varieties will not hereafter be changed.

Mr. BATTIN. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I think the debate here today is very indicative of what has taken place each time a farm bill has been before us, a great number of amendments offered especially. The same thing took place a couple of weeks ago. The same thing has taken place every one of the 10 years I have been in this House. It simply proves one thing, that this type of legislation which tries to subsidize one segment of the population by a theoretical principle and on a synthetic basis is unworkable; and every single year the promise has been made that next year the cost would be less, yet we see the program grow and become more unworkable.

Just as I have voted against it in past years to save money, just as I voted against the farm bill we had before us some 3 weeks ago, I must vote today to protect both the farm and the city population.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

(Mr. COOLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOLEY. Mr. Chairman, although the farm bill makes no change in section 303 of Public Law 480 which directs the Secretary of Agriculture to exchange surplus agricultural commodities for strategic or other materials of permanent value to the United States, I want to point out that the Congress has, time after time, reiterated its intention that this method should have a priority position in our export program. The Secretary has all of the authority needed to carry out this statutory obligation imposed upon him with the enactment of Public Law 480 in 1954, and continued by each Congress thereafter, and in each law that we have passed relating to the agricultural surplus disposal program.

Members of Congress are aware of the review now being undertaken by the Symington committee of the Senate and the possible reduction of the Nation's strategic stockpile. This may have caused some confusion as to the basic purpose of the Nation's stockpiling program, and some Members may not have taken the time to familiarize themselves with the laws enacted by the Congress on this subject. Briefly, therefore, I should like to point out that the so-called strategic or national stockpile was established under the authority of the Strategic and Critical Materials Stock Piling Act. Its purpose is to acquire and stockpile materials that will be needed by this country in the event of war. Requirements of that stockpile have been changed from time to time as our military strategists have modified and modernized their conception of the type of war in which the United States might be forced to engage.

The supplemental stockpile, on the other hand, was established in the Agricultural Act of 1956 to hold for future use of the United States materials of permanent value which are acquired as directed by section 303 of Public Law 480 in connection with the surplus disposal program of the Secretary of Agriculture. The basic purpose of this program, as the intent of Congress clearly shows, is that the Secretary obtain something of material value to the United States in exchange for surplus agricultural commodities which deteriorate and are costly to store and which cannot be sold abroad for hard dollars. This protects

the investment of the taxpayers of the United States by taking in nonperishable material resources in exchange for rapidly deteriorating surplus commodities which we have acquired under our agricultural price support program that cannot be readily sold for dollars.

Both Houses of Congress, in accepting the conference report on last year's farm bill, specifically approved as the intent of Congress of the United States the statement of policy which appears on page 13363 of the CONGRESSIONAL RECORD of August 2, 1961. This policy statement makes it clear that we have never hesitated to make available all of the assets of CCC which the executive branch has requested for use in effecting our international policy. At the same time, we made it abundantly clear that we did not wish the executive branch to overlook the direct benefits to the American people, and particularly to the American taxpayer, in favor of the indirect benefits which might flow from the use of our food supplies in the international field. Particularly, we pointed out the basic objectives of the Public Law 480 program to develop possible future commercial markets for American agricultural commodities. We also said that it should "consistently be borne in mind the policy that disposal of our agricultural surpluses should always be made in a manner which will give the greatest practicable return to the United States."

In accepting the conference report last year we expressed the intent of Congress that the following order of priorities should govern our sales and other disposal of agricultural commodities: First, sales for cash dollars; second, sales for short-term dollar credit; third, barter for strategic and other material; fourth, sales on long-term dollar credit under title IV; fifth, sales for foreign currency; and, sixth, donations.

I point out to the executive branch that Congress on two occasions this month has reiterated the importance of fully utilizing our agricultural surpluses in such a way to obtain something of hard value to the United States in return. First, in passing the Sugar Act of 1962, and, second, in passing the honey bee amendment to that act. Specifically, the Congress stated that it intended that the Secretary of Agriculture give special consideration to foreign countries desiring to sell sugar in the United States which would agree to purchase our agricultural commodities in addition to their commercial transactions. I am happy to say that apparently the President also approves of this principle.

Therefore, although we have not in this 1962 farm bill found it necessary to amend section 303 of Public Law 480, there should be no misunderstanding as to the intent of this Congress which is that the Secretary of Agriculture make full use of the disposal facilities available to him under this section of the act and utilize good business sense in exchanging to the maximum extent practicable our surplus agricultural commodities for something of hard value where we are not able to dispose of these commodities on a reasonable basis for dollars.

Mr. Speaker, the Department of Defense might well explore fully the possibilities of utilizing agricultural commodities to pay for many of their acquisitions abroad in order to reduce the outflow of dollars from the United States and improve the U.S. balance of payments. It is more important now perhaps than any time in our history for us to seek every avenue to reduce the outflow of gold from the United States and to provide in connection with our surplus disposal program the greatest return to the taxpayer.

The Congress expects and intends that the Secretary of Agriculture follow the guidelines and priorities established in last year's "statement of policy" as identified herein, in operating our surplus disposal programs and we expect him to conscientiously exhaust every effort to obtain something of hard value for the taxpayers of the United States.

Whether we have an immediate need for the materials so acquired now or whether they will be needed in the future for the economic survival of the United States is of only passing interest. When we are obtaining basic raw materials which do not deteriorate far for surplus agricultural commodities which cannot be sold abroad on a reasonable basis for dollars we are taking action of permenent value to the Nation. This is the overriding consideration and Congress expects and intends that the various agencies of the Government, particularly the Department of State and the Department of Defense, carry out the directive of Congress and cooperate fully with the Secretary of Agriculture in carrying out a reasonable program as they are specifically directed to do under section 303 of Public Law 480.

Mr. Chairman, I feel I have expressed the clear intent of this Congress and there should be no further misunderstanding on the subject of the priority which Congress has established and which the Secretary of Agriculture and the executive branch of the Government should follow in disposing of our agricultural surpluses. The word "priority" should be given its normal meaning which is "order of preference" and unless given this normal meaning in operating the disposal program, the executive branch will not be consistent with this expressed intent of the Congress.

Mr. DAGUE. Mr. Chairman, some of those who have preceded me in this debate have insisted that H.R. 12391 is a simple extension of a temporary law and that may well be so. However, I can report that there was not a little bickering within the Committee on Agriculture before the bill was reported and even then not without some veiled threats of amendments to be undertaken on the floor. The fact of the matter is that your committee has been occupied for over 4 months in working over the administration's farm recommendations and I am sure that we will all be greatly relieved just to be rid of it. Looking back, it occurs to me that our situation has been akin to that of the farmer who, when asked what time he got up to go to work, replied indignantly, "I don't get up and go to work, I wake up right in the middle of it."

Taking H.R. 12391, title by title, we find that under title I, relating to conservation, as it appeared in the recently rejected omnibus farm bill, the reference to the development of recreational areas has been deleted, to the sorrow of the social planners who bleed and die for the hard-working city dweller who must be afforded greater recreational opportunities after his arduous 40 hours of labor. Or is it 25?

Basic to the ill-fated H.R. 11222 was the philosophy of nationwide marketing orders and the vote in the House rejecting the administration's insistence on such authority was the reflection of adamant grower resistance to such regimentation. A further reflection of the attitude of farmers toward nationwide marketing orders was had in their recent rejection of the turkey order and responding to this clearly voiced aversion the House committee has omitted a similar potato order from the measure now before us.

In passing, it should be noted that tobacco, cotton, rice, and peanuts have not been under consideration during this year's agricultural fiasco and it can only be assumed that the growers of those commodities have become so acclimated to the restraints placed upon them that they are no longer interested in producing for the market and it would appear that free enterprise to such producers has become as unfamiliar as the wide-open spaces are to a caged canary. I would like, however, to invite the tobacco growers from the controlled areas to pay a visit to Lancaster County, Pa., where we produce more tobacco than any other county in the Nation, make a little money at it, and do it without any subsidies or controls of any kind. And to emphasize that our growers like it that way, when a referendum on quotas for type 41 tobacco was held a few months back they voted them down by a ratio of 6 to 1.

With the elimination of the four basics heretofore referred to we are left with only corn and wheat as the remaining contenders for Uncle Sam's favors and with a little tinkering here and there the bill we are now debating would pretty much seem to continue the existing temporary legislation for 1 more year. During our discussion of H.R. 12391 in committee, however, it became evident that the target of those who took the defeat of the Kennedy-Freeman bill so hard is actually the 1958 law and in that attempt they have been trying to make it appear that our tremendous buildup in corn took place since the act was put on the books. Actually, a bare 24 percent of our present corn inventory can be charged to the 1958 legislation and it is the opinion of many informed people that that much-maligned statute might not be too bad if it were only given a chance to work.

Be all that as it may, it is glaringly apparent that corn was in no serious trouble so long as we allowed the farmer to feed it to his hogs for the market. But the very moment that we increased the support price—without any really effective controls—thereby making it profitable to produce corn commercially, then it was that we started accumulating a corn carryover that at the end of

last year stood at around 2 billion bushels.

Wheat, the other culprit, will, in my not too well informed opinion, always be in trouble so long as we unrealistically keep our production tied to a 55-million-acre base at a support incentive that can only result in our raising more than we can possibly use, even with all of the outlets that may be developed through Public Law 480 and other give-away devices. Particularly irksome to the farmers of my area is the refusal to recognize that Soft Winter wheat, such as we produce, is not in oversupply. For instance, we have long recognized that Durum wheat requires special treatment and as a result it is treated under special legislative provisions. But Soft Winter wheat, from which pastry flour is produced, is lumped together with the hard varieties and, protesting bitterly, our producers wind up under a system in which they are punished for sins they did not commit. And, of course, our eastern farmers will always resent and resist the imposition of any limitation on that grain which is consumed as livestock feed on the farm where it was produced.

The dairy section has no real place in this bill except as a possible device to be traded off when a conference is reached with the other body. On the other hand, it does embody a subtle threat, since voluntary participation under this section would require quotas, which would then be available should the administration—by hook or by crook—be able to revive its ill-famed and ill-fated supply management proposal.

Summing up, it is my studied conviction that H.R. 12391 can only serve to compound a costly surplus problem, and I feel quite strongly that our best move would be to revert to legislation already on the books and then with some sensible modifications lessen the incentive to overproduce. In a recent nationwide magazine poll the farmers of the Northeastern States indicated that they would be quite happy with the complete elimination of both supports and controls, and, while I feel that a transformation from a managed to a free economy cannot be effected overnight without some unpleasant results, I continue to believe that we should keep that objective as our final goal. In the meantime, perhaps it would be a good idea to consider my cropland retirement bill, H.R. 10165, with compensation for the acres thus set aside to be taken out of the enormous surpluses in Government hands in the form of payments in kind.

Mr. VAN ZANDT. Mr. Chairman, I am opposed to the enactment of this so-called watered down version of the administration's 1962 farm bill. We are now being asked to give our approval to the extension of emergency feed grain and wheat programs for another year—an extension on which the administration itself earlier this year turned its back.

When the admittedly more drastic Kennedy-Freeman farm bill was given to us for consideration, we were told that extension of the emergency program would be costly. The chairman of the Agriculture Committee in the other body said that extension of the wheat program would cost taxpayers $3.30 for every bushel of reduction of the crop.

The Secretary of Agriculture told us in a memorandum of June 8 to all Members, while he was still hoping for passage of his farm omnibus bill, that the cost of extending the emergency wheat and feed grain programs for 1963 would by $2,400 million.

Now they are asking us to forget what they said then and go ahead with the extension.

The supply-management concept of the original farm bill was completely repugnant to the farmers of Pennsylvania. If it had been allowed to pass, all who raise feed grain would have been regulated, despite the fact that most of such grains grown in Pennsylvania is kept on the farm for the feeding of livestock and never reaches the market. The smaller producers would have been exempt from acreage reduction but would not have been permitted to raise their acreage above 1959–60 production no matter how small they were.

Proponents of the original farm bill, including the senior Senator from Pennsylvania, contended that the dairy industry, which is the principal farm activity in our Sate, would not have been affected. It is difficult to understand how the dairy farmer, who depends so much on the production of feed grains, would not have been affected by a farm bill which proposed to regulate their production of such grains.

This brings us to the bill now under consideration. It includes a dairy section which may well lead to permanent supply management and compulsory milk quotas for all dairy farmers. Such quotas, in fact, are specifically provided for the first year on a voluntary basis. Some farmers would be paid to reduce their production, but others could offset this by increasing their output.

Under such an arrangement as this, the dairy program certainly would operate most ineffectively and the resulting confusion would prove costly to both the producers and consumers of dairy products. The natural outgrowth of such disorder, without doubt, would be pressure on the Congress next year from the administration for the enactment of a compulsory milk quota program.

In opposing this bill, I stand with the people of Pennsylvania who produce milk and the people of Pennsylvania who consume it. It is not at all paradoxical that I also stand with the Secretary of Agriculture, who told us all in his memorandum of June 8 of this year that the extension program now proposed would be costly. He said further that "the Committee on Agriculture of the House wisely rejected efforts to continue the existing emergency programs in 1963."

Mr. SCHWENGEL. Mr. Chairman, this morning I received a statement from the American Farm Bureau Federation which indicated their position on H.R. 12391 which is before us for consideration today.

I should like to say that I am one who believes that this legislation should never have been adopted originally.

As will be revealed later in the statement that I will file herewith, this legislation did not solve the problem of surpluses in agriculture.

The sponsors of this legislation were warned of this, when it was originally under consideration, by many farm leaders in the Midwest including leaders of the Farm Bureau Federation.

It is true, of course, that the House decided, in their wisdom, to vote down a poorly thought out agriculture bill recently and that this fact did necessitate a reconsideration of the problem.

It is clear now that a majority of the members of the Agriculture Committee are not interested in listening to the testimony of those people who have given thorough study and serious thought to the problem and after thorough consideration of all of the factors have come up with a conservation reserve program or land adjustment act which has been only casually considered, if at all, when they were considering the legislation that was defeated earlier.

I hesitate, therefore, to give very much encouragement to the consideration of this legislation before us now. It is impossible for me, at this point, to go into every detail and aspect of this matter but very much of what I would like to say and my reasons for indecision, if not opposition, to H.R. 12391 are reflected in a statement from the Farm Bureau Federation and I include it in the Record at this point:

The latest version of the farm bill, H.R. 12391, will shortly be before the House for consideration.

Farm Bureau opposes passage of this latest version of the farm bill for several reasons. Briefly, our most important reasons are:

1. The bill would extend the "emergency" feed grain and wheat programs another year. Earlier this year the administration abandoned this approach to solving the surplus problem for feed grains and wheat and suggested an alternative which has been rejected by the House. Apparently the "emergency" programs were abandoned because they were considered to be too costly and ineffective.

Senator ELLENDER recetly told the Senate that extension of the 1962 "emergency" wheat program would cost taxpayers $3.30 a bushel for each bushel of reduction achieved. Secretary Freeman, in a letter dated June 8 addressed to each Member of the House of Representatives, estimated the cost of extending the "emergency" wheat and feed grain programs for 1963 would be $2,400 million.

2. The bill includes a dairy section which could well be the beginning of supply management and compulsory milk quotas for all dairy farmers. The proposed program, although voluntary for the first year, would establish quotas for all dairy farmers. While some farmers would be paid to reduce their production, other farmers could expand their output as an offset. Thus, the program would be so costly and ineffective that it most surely would be followed by efforts to enact a compulsory milk quota program next year.

3. In addition to the provisions listed above, there also is a section which modifies the Agricultural Act of 1958 as it relates to the support prices of corn and other feed grains by (1) deleting the 65 percent of parity floor for corn supports, and (2) providing price supports on corn at 80 percent

of the previous 3-year average market price instead of 90 percent commencing in 1964. We oppose this amendment because it would make the transition from the present costly and ineffective programs to a free and prosperous agriculture more difficult.

Rather than have this kind of a bill become law, we strongly urge that no new farm legislation be passed this session. The act of 1958 would then go into effect for corn and other feed grains in 1963. If given opportunity to work, this program would be preferable to the costly and ineffective "emergency" feed grain program.

If no legislation is enacted and wheat support prices are allowed to remain at the minimum permitted under the Agricultural Act of 1949 (and already announced by the Secretary of Agriculture for the 1963 crop), there will be a reduction in export costs on the order of $128 million in addition to an estimated saving of $345 million from the termination of land retirement payments.

The dairy situation was improving until price supports were raised and proposals for milk quotas caused many producers to expand production for base-building purposes. Dairy price supports were reduced beginning April 1 this year. It would be far better to permit the program to operate without further tinkering with the support level than to adopt an unworkable program which moves in the direction of compulsory milk quotas.

Under present conditions the most constructive action that can be taken is for the House to reject H.R. 12391.

Mr. Chairman, if I vote for this bill, it will be with the understanding that the House conference committee, if any, will stand firm against any version of the agriculture control bill recently defeated by the House, and that if it is passed and signed by the President, that the committee will give consideration early next year to some more adequate legislation that is based on the terms and provisions of a bill that would envision an adequate conservation reserve program, make possible more research to find more uses and more markets for farm products, and provide for a plan that will take productive land out of production either through purchase or rentals, and also give consideration to a program which would put large areas of land into new forest lands and/or recreation areas.

Mr. PELLY. Mr. Chairman, with regard to H.R. 12391, the latest general agricultural bill, I think many Members are in doubt.

When the Sugar Act was expiring on June 30 and 11th hour legislation was brought to the House, some of us got stampeded. We were told it was a choice of passing that bill or chaos. Ever since the sugar bill was passed I have been apologizing to myself. It was the worst vote I ever made in this House and I blame it on the rush way this legislation was scheduled.

In the case of new farm legislation following the rejection recently of the administration's proposal of compulsory control over grain production, I do not plan to fall for any pleas that it is necessary to pass this 1-year emergency program. This time, if no new measure is enacted, there will not be chaos. The act of 1958 would then go into effect for corn and other feed grains in 1963.

The question, Mr. Chairman, therefore is to decide how this latest emergency version of an agricultural program would compare with the situation under the 1958 law and if no new law is passed.

One strong argument against passage of a new farm bill is that this procedure would open the door for the Senate to amend it and in conference we would get back the same supply-management proposal with coercive controls which the House recently rejected. I recognize this danger and that under terrific pressure some House Members might change their position under some plausible excuse.

But, Mr. Chairman, I prefer to decide my position on a comparison of the merits or lesser of two evils between the bill before the House today and no bill at all.

For example, the extended wheat and feed grain programs as contained in this bill have been estimated by the Secretary of Agriculture to cost $2.4 billion. What is more under that program which would be extended, I am told the average net income of farmers in my State of Washington was down 11 percent last year over the year before. I am told, too, by the Washington State Farm Bureau that wheat farmers in my State are becoming increasingly concerned about inefficiencies imposed on their operations as a result of reduced quotas under this program. The bureau has pointed out that the control of feed grains under the program has had a detrimental effect on my State's livestock and poultry industry. I am told the dumping authority under the corn program has penalized three out of five producers who chose not to sign up with the Government.

Now, Mr. Chairman, what if this bill is defeated and no new legislation is enacted? If the present program expires and no new farm legislation is enacted by Congress, I am satisfied consumers and taxpayers will save almost $1.3 billion in direct payments to farmers and added administrative expenses.

Also additional savings would be realized by the discontinuance of the policy of selling grain at market prices by the Government to finance land retirement payments and then replacement of the grain with new grain taken over by the Commodity Credit Corporation at high support prices.

This is complicated legislation, Mr. Chairman, and I do not pretend to understand all provisions; but as previously expressed by me, I oppose giving the Government complete power over our farmers. The milk or dairy section of this new bill, as I understand, could well result in compulsory milk quotas on all dairy farmers. I am informed the American Farm Bureau says this and that the plan would be costly and ineffective.

So, Mr. Chairman, I will vote against this bill. I think no new law would be preferable and the lesser of two evils. Certainly, the time is coming when the Government must allow the farmers of this country to manage their own affairs. The $7 billion cost of Government intervention and subsidies must end. Mr. Benson was right. We must eliminate the acerage and price controls by degrees over an extended period.

Meanwhile H.R. 12391 should be rejected.

The CHAIRMAN. The Clerk will report title IV.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. COOLEY. Mr. Chairman, I was seeking recognition. I wish to see if we can reach an accommodation as to time.

The CHAIRMAN. The Chair did not see the gentleman from North Carolina before he had recognized the gentleman from Missouri.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. CURTIS of Missouri. Let me proceed for 2 or 3 minutes, and then I think I probably shall.

The CHAIRMAN. The gentleman from Missouri will proceed.

Mr. CURTIS of Missouri. Mr. Chairman, a recent attempt was made to find out on behalf of the taxpayers and consumers, whom I primarily represent, as to just what the cost estimates are on this bill that we have before us, H.R. 12391, and what the cost estimates of the farm program are if no bill were passed. Th gentleman from Illinois [Mr. MICHEL] asked a question of the Chairman about the cost estimates and was referred to the committee report on H.R. 10010. I have looked at the entire hearings the committee held on this bill. The only data at all apparently is something that was placed in the record on which the committee did not even see fit to interrogate the Secretary of Agriculture. It appears at pages 129 and 130 of the hearings. The estimates were that there would be about a $500 million saving on the particular bill that was before the committee, which was H.R. 10010. During the debate on H.R. 10010 and after the many amendments to it the House at no time was given any estimate whatsoever as to what the costs of the proposed farm bill, as amended or otherwise, would be in respect to what the cost of no farm legislation would be.

The questions I would like to ask the chairman of the Committee on Agriculture are these:

Were the cost estimates of this bill now before us over the present farm program made? Was the Secretary of Agriculture requested to make such cost estimates on this bill and if so, what are the estimates?

Mr. COOLEY. The information given to us indicated that if this bill were enacted into law the program would result in a net saving of a half billion dollars to the taxpayers.

Mr. CURTIS of Missouri. That is the estimate that was given in connection with the other bill.

Mr. COOLEY. That would have resulted in net savings of $1 billion or a total of $4 billion for 4 years, but that bill was defeated.

Mr. CURTIS of Missouri. I believe the record does not indicate that, I may say to the gentleman. The estimates are on page 129 and 130 of the hearings. Let me read what Secretary Freeman said on page 129:

This program would cut the cost the first year about $500 million, as you will note in the President's budget, and in the next 4 years will result in a savings of about $5 billion over the present level of spending. And when we have gotten our reserve stocks down to manageable levels, we would estimate that it will cost us about $1.5 billion a year for price support and related income programs as distinguished from close to $3 billion this year.

That is the previous program unamended as presented by the Secretary. Let me refer to the House the committee report on the bill before us, H.R. 12391, page 11, and that implies only to the feed situation. Page 11, item 5, reads "the taxpayers will benefit by millions of dollars." What kind of an estimate is that? How many million? Five, 20, or 100?

Then the last line on page 11.

Government expenditures over the next 9 years will proximate $600 million less.

Which is a little better than $60 million a year, a far cry from the one-half billion figure the gentleman from North Carolina first gave to me in response to my question.

The point is that this bill obviously has not been carefully studied from the standpoint of cost to both the taxpayers and the consumers. Until the Committee on Agriculture is ready to come in and present a bill where we have some idea of what it is going to cost, it would seem to me to be well to vote this down.

Mr. COOLEY. The letter I have from the Secretary of Agriculture indicates it was not possible for him to estimate with a satisfactory degree of accuracy the cost of the program because you do not know what the participation will be.

Mr. CURTIS of Missouri. It is a difficult thing to estimate, but there were estimates made here on the previous bill. One thing I would expect the Committee on Agriculture to do is to interrogate these Government witnesses on how they do make these estimates so that those of us who are not on the committee may have some opportunity of going over these estimates and knowing what we are doing. It is the failure to do this in the past that has created this situation where the farm programs are costing way beyond what we were told they were going to cost in the beginning. Now we find on this bill they do not even make an estimate any more. It would be foolhardy for us to vote for a new farm program as contained in this bill without some cost estimates. Indeed we are better off with no new farm legislation. Costly as the present legislation is, and unnecessarily and burdensomely so, at least we know its cost. This kind of leaping from the frying pan into the fire does not do credit to this great legislative body.

LEAVE TO EXTEND REMARKS

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DAGUE], the gentleman from Pennsylvania [Mr. VAN ZANDT], the gentleman from Iowa [Mr. SCHWENGEL], and the gentleman from Washington [Mr. PELLY], may extend their remarks at the point in the RECORD before title IV was read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. BROOMFIELD (at the request of Mr. GOODELL) was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to H.R. 12391 because I believe this bill is simply more of the same medicine which has failed so miserably in the past.

A short time ago, the House rejected the approach of tight controls, high subsidies, and higher food and export costs.

Instead of coming up with an approach toward freedom, an approach toward less governmental interference on the farm and in the marketplace, the administration has come forth with a plan which its officials themselves previously publicly rejected.

The Christian Science Monitor of Tuesday, July 17, in an interesting editorial on this subject of farm legislation, points out very graphically the waste, the folly, the senseless pursuit of a lemming like policy which can only lead to the eventual destruction of our free economy and a way of life which is acknowledged to be the best in the world.

The best thing we can do for the farmer is to get the Government off his back. The quickest and surest way we can solve the farm problem is to take the advice of the Research and Policy Committee for Economic Development and start thinking in terms of people rather than acres.

Our history is one of migration, of movement, of adaptation to changing circumstances. I have enough faith in our people to believe that they can adapt to changes in their way of life, that they can start new lives and work for the good of their families and their country.

One of the reasons our Nation has flourished so in freedom, in living standards, in industry and business is because of the ability of our people to accept change, to live with change, to take up new lives, new skills, new professions and come out the better for the experience.

We have had much talk of new frontiers in recent months. I believe in new frontiers, too, but I try not to put the label "new frontier" on an area that has already been thoroughly explored, fully tried, and still found wanting. The least the Congress can do, the least this administration can do, is to place some trust in our people, place some trust in their ability to meet new conditions with confidence and with success.

In years past, our farm community has been rendered almost immobile by the arthritis of new redtape, by the rheumatism of governmental regulation.

Let us try a new approach to the farm problem, an approach based upon the farmer rather than farm acres. Only then will we start solving this problem. Only then will we wean the farmer away from Federal subsidies and give our citizens an even break in the marketplace and at the tax window.

May I urge my colleagues to study carefully the editorial which follows:

FARM POLICY; ADAPTATION, NOT CONTROLS

For many years this newspaper and numerous other observers have commented that the heart of the so-called farm problem in the United States is not acres nor bushels nor silos but people.

A thoughtful study by the research and policy committee of the Committee for Economic Development concludes that American agriculture is using too much in the way of resources, especially human resources, for its own good. Hence, the basic objective should be to permit and induce a large, rapid movement of resources, notably labor, out of agriculture.

But these workers have to have something gainful to do. Hence a solution must envisage a better rate of employment in the nonfarm sector of the economy. And industry has been absorbing migration from the farms at such a rate that rural workers now constitute only one-twelfth of the total labor force, compared with one-fifth of it only 30 years ago.

Yet productivity in agriculture has risen so phenomenally that 1 worker on the land feeds not only his own family and the families of 11 urban toilers, but farmers have sold the Government $9 billion worth of accumulated surpluses for which it pays $1 billion a year in storage costs.

The admistration recently proposed a choice between rigid controls and a virtually laissez-faire market. On these terms, marketing controls would have been almost imperative. But the CED points out another possible course, one of adaptation.

It would immediately substitute an adjusted price for the present artificially supported ones in wheat, rice, cotton, and feed grains. The adjusted price would aim at inducing no more production than the markets would absorb. Five-year programs of cropland adjustment, income protection, and a temporary soil bank would cushion the change in a hope that the families remaining in agriculture would have a better income after that time than before.

This is an ambitious program. It needs to be. It should be supplemented by changes in educational policies and employment services which the CED committee describes. But it points the most rational way out of

the morass into which farm subsidies have sunk.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, pursuant to House Resolution 727, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McINTIRE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McINTIRE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McINTIRE moves to recommit the bill H.R. 12391 to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BECKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 229, nays 163, not voting 43, as follows:

[Roll No. 166]

YEAS—229

Abbitt	Bonner	Daniels
Abernethy	Brademas	Davis, John W.
Albert	Bray	Dawson
Alexander	Breeding	Delaney
Andersen, Minn.	Bromwell	Denton
	Brooks, Tex.	Diggs
Andrews	Buckley	Dingell
Anfuso	Burke, Ky.	Dole
Ashley	Burke, Mass.	Donohue
Ashmore	Burleson	Downing
Aspinall	Byrne, Pa.	Doyle
Avery	Cannon	Dulski
Ayres	Celler	Edmondson
Bailey	Chelf	Elliott
Barrett	Coad	Ellsworth
Battin	Cohelan	Everett
Bennett, Fla.	Colmer	Evins
Berry	Cook	Farbstein
Blatnik	Cooley	Fascell
Boland	Corman	Finnegan
Bolling	Daddario	Flynt
Forrester	Lankford	Rhodes, Pa.
Fountain	Lennon	Rivers, Alaska
Friedel	Lesinski	Rivers, S.C.
Gallagher	Libonati	Roberts, Tex.
Garmatz	Loser	Rodino
Gary	McFall	Rogers, Colo.
Gathings	McMillan	Rogers, Tex.
Gilbert	McVey	Rooney
Gonzalez	Macdonald	Roosevelt
Granahan	MacGregor	Rosenthal
Green, Oreg.	Madden	Rostenkowski
Green, Pa.	Magnuson	Roush
Griffiths	Mahon	Rutherford
Gross	Marshall	Ryan, Mich.
Hagan, Ga.	Matthews	Ryan, N.Y.
Hagen, Calif.	Miller, Clem	St. Germain
Hansen	Miller, George P.	Santangelo
Harris		Schwengel
Harvey, Ind.	Mills	Scott
Healey	Moeller	Selden
Hechler	Montoya	Shelley
Hemphill	Moorhead, Pa.	Sheppard
Henderson	Morgan	Short
Hoeven	Morris	Shriver
Holifield	Morrison	Sikes
Holland	Moss	Sisk
Horan	Multer	Slack
Huddleston	Murphy	Smith, Iowa
Hull	Murray	Smith, Miss.
Ichord, Mo.	Natcher	Smith, Va.
Inouye	Nedzi	Springer
Jarman	Nelsen	Steed
Jennings	Nix	Stephens
Jensen	Norrell	Stratton
Johnson, Calif.	Nygaard	Stubblefield
Johnson, Wis.	O'Brien, Ill.	Sullivan
Jones, Ala.	O'Hara, Ill.	Taylor
Jones, Mo.	O'Hara, Mich.	Thompson, N.J.
Judd	O'Konski	Thompson, Tex.
Karsten	Olsen	Thomson, Wis.
Karth	O'Neill	Thornberry
Kastenmeier	Patman	Toll
Kee	Perkins	Trimble
Keogh	Peterson	Tuck
Kilgore	Pfost	Ullman
King, Calif.	Pilcher	Vanik
King, Utah	Poage	Vinson
Kirwan	Powell	Walter
Kitchin	Price	Watts
Kluczynski	Pucinski	Weaver
Kornegay	Purcell	Whitener
Kowalski	Quie	Whitten
Kyl	Rains	Wickersham
Landrum	Randall	Young
Lane	Reifel	Zablocki
Langen	Reuss	Zelenko

NAYS—163

Adair	Dominick	Lipscomb
Addabbo	Dooley	McCulloch
Alger	Dorn	McDonough
Anderson, Ill.	Dowdy	McDowell
Arends	Durno	McIntire
Ashbrook	Dwyer	Mack
Auchincloss	Fallon	Martin, Mass.
Baker	Feighan	Martin, Nebr.
Baldwin	Fenton	Mathias
Baring	Findley	Meader
Barry	Fino	Michel
Bass, Tenn.	Fisher	Miller, N.Y.
Bates	Fogarty	Milliken
Becker	Ford	Minshall
Beckworth	Frelinghuysen	Monagan
Beermann	Fulton	Moore
Belcher	Gavin	Moorehead, Ohio
Bell	Glenn	
Bennett, Mich.	Goodell	Morse
Betts	Goodling	Mosher
Bow	Grant	Norblad
Brewster	Gray	O'Brien, N.Y.
Broomfield	Griffin	Osmers
Brown	Haley	Ostertag
Broyhill	Hall	Passman
Bruce	Halleck	Pelly
Cahill	Halpern	Philbin
Carey	Harding	Pike
Casey	Harrison, Wyo.	Pillion
Cederberg	Harsha	Pirnie
Chamberlain	Herlong	Poff
Chenoweth	Hiestand	Ray
Chiperfield	Hoffman, Ill.	Reece
Church	Hosmer	Rhodes, Ariz.
Clancy	Joelson	Riehlman
Clark	Johansen	Robison
Collier	Johnson, Md.	Rogers, Fla.
Conte	Jonas	Roudebush
Corbett	Kearns	Rousselot
Cramer	Keith	St. George
Cunningham	Kilburn	Saylor
Curtin	King, N.Y.	Schadeberg
Curtis, Mo.	Knox	Schenck
Dent	Kunkel	Scherer
Derounian	Laird	Schneebeli
Derwinski	Latta	Schweiker
Devine	Lindsay	Seely-Brown
Shipley	Tupper	Wharton
Sibal	Udall, Morris K.	Widnall
Siler	Van Pelt	Williams
Smith, Calif.	Waggonner	Wilson, Calif.
Stafford	Wallhauser	Wilson, Ind.
Teague, Calif.	Weis	Wright
Teague, Tex.	Westland	Younger
Thomas	Whalley	

NOT VOTING—43

Alford	Giaimo	Riley
Bass, N.H.	Gubser	Roberts, Ala.
Blitch	Hardy	Saund
Boggs	Harrison, Va.	Scranton
Bolton	Harvey, Mich.	Spence
Boykin	Hays	Staggers
Byrnes, Wis.	Hébert	Taber
Curtis, Mass.	Hoffman, Mich.	Thompson, La.
Dague	Kelly	Tollefson
Davis, James C.	McSween	Utt
	Mailliard	Van Zandt
Davis, Tenn.	Mason	Willis
Flood	May	Winstead
Frazier	Merrow	Yates
Garland	Moulder	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hays for, with Mr. Hébert against.

Mrs. Riley for, with Mr. Alford against.

Mr. Harrison of Virginia for, with Mr. Staggers against.

Mr. Hardy for, with Mr. Gubser against.

Mr. Davis of Tennessee for, with Mr. Van Zandt against.

Mr. Frazier for, with Mr. Bass of New Hampshire against.

Mr. Yates for, with Mr. Scranton against.

Mr. Boggs for, with Mr. Merrow against.

Mrs. Kelly for, with Mr. Byrnes of Wisconsin against.

Mr. Spence for, with Mr. Utt against.

Mr. Roberts of Alabama for, with Mr. Curtis of Massachusetts against.

Mr. Giaimo for, with Mrs. Bolton against.

Mr. Flood for, with Mr. Dague against.

Mrs. Blitch for, with Mr. Mailliard against.

Mr. Moulder for, with Mr. Garland against.

Mr. Thompson of Louisiana for, with Mr. Mason against.

Mr. Saund for, with Mr. Taber against.

Until further notice:

Mr. McSween with Mr. Harvey of Michigan.

Mr. Willis with Mrs. May.

Mr. Winstead with Mr. Tollefson.

Mr. James C. Davis with Mr. Hoffman of Michigan.

Mr. SHIPLEY changed his vote from "yea" to "nay."

Mr. BRAY changed his vote from "nay" to "yea."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight Friday to file a conference report on the bill, S. 2996.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 23, 1962
For actions of July 20, 1962
87th-2d, No. 124

CONTENTS

Adjournment.....13,24
Agricultural appropriations.....14
American Samoa.....6
Appropriations 3,14,15,16,17,23,37
CCC.....36
Cooperatives.....12
Dairy products.....30
Education.....35
Electrification.....11,21
Farm labor.....5,22
Farm program.....1,20,25
Flood control.....10,40
Foreign aid.....2,18,23,26
Foreign trade.....27,31
Imports.....31
Insecticides.....4
Land-grant colleges.....28
Legislative program.....23
Livestock.....36
Nominations.....9
Personnel.....7,29,38
Pesticides.....4
Reservoirs.....33
Salaries.....38
Screwworm.....15
Surplus feeds.....36
Surplus property.....34
Taxation.....12,41
Telephones.....39
Tobacco.....31,32
Training.....7
Veterans' benefits.....35
Water.....40
Watersheds.....8
Wheat.....1,19

HIGHLIGHTS: House committee reported agriculture appropriation bill. House received conference report on second supplemental appropriation bill. Sen. Williams, Del., charged there was shortage of grain in Estes warehouses. Sen. Curtis criticized handling of Estes case. Sen. Keating charged USDA plays politics in drought relief assistance. Sen. Robertson urged elimination of 55 million national wheat acreage allotment. Senate agreed to conference report on foreign aid authorization bill. Senate passed Labor-HEW appropriation bill. Rep. Michel criticized REA. House received conference report on foreign aid authorization bill. Rep. Henderson introduced and discussed bill to compensate Flue-cured tobacco farmers for natural disaster losses.

SENATE

1. FARM PROGRAM. Sen. Williams, Del., charged that there was a shortage of over 68,000 bushels of grain stored in Estes warehouses and inserted several items relating to this matter. pp. 13310-15

Sen. Curtis charged that the Estes cotton allotment transfers "were clearly illegal and fradulent," and inserted recent testimony by Walter J. Arnote regarding the transfers. pp. 13362-5

Sen. Keating criticized the announcement made by the Democratic candidate for Governor of N. Y. that this Department was making drought relief assistance available to farmers in N. Y., and charged that the Department had been evasive to his request for such assistance. pp. 13315-6

Sen. Robertson urged that the farm bill be amended to eliminate the 55 million national wheat acreage allotment and to give the Secretary discretionary authority to reduce wheat acreage. p. 13294

Received the farm bill, H. R. 12391, as passed by the House. Sen. Dirksen objected to the second reading of the bill. p. 13303

2. FOREIGN AID. By a vote of 56 to 27, agreed to the conference report on S. 2996 the foreign aid authorization bill. pp. 13280, 13293-300, 13302-5

3. LABOR-HEW APPROPRIATION BILL, 1963. Passed with amendments this bill, H. R. 10904. Conferees were appointed. pp. 13305, 13316-59

Rejected the following amendments:

By Sen. Proxmire, 24 to 59, to reduce the amounts in the bill by $247,105,000 which he stated was the level requested by the Administration. pp. 13316-23

By Sen. Dirksen, 33 to 39, to provide that none of the funds shall be used to increase employment above the level of June 30, 1962. pp. 13346-8

By Sen. Cooper, 30 to 43, to provide that each appropriation in the bill, with certain exceptions, shall be reduced by 5 percent. pp. 13355-8

4. INSECTICIDES; PESTICIDES. Sen. Proxmire expressed concern over the "alarming situation involving the excessive use of powerful pesticides," and inserted an article discussing the situation. pp. 13280-1

5. FARM LABOR. Sen. Hayden criticized the proposed "210-day, 35 week limitation on employment of Mexican nationals on farms," and inserted several items discussing the proposed limitation. pp. 13359-61

6. SAMOA. Conferees were appointed on H. R. 10062, to extend the application of certain laws to American Samoa. House conferees have already been appointed. p. 13293

7. PERSONNEL. H. R. 6374, to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, was made the unfinished business. p. 13361

8. WATERSHEDS. The Public Works Committee approved the following watershed projects: Hurricane Creek, Ala.; Town Creek, Ala.; Marbury Creek, Ga.; Middle Fork Broad River, Ga.; Upper Blue River, Okla.; and Thicketty Creek, S. C. p. D615

9. NOMINATIONS. Confirmed the nomination of Anthony J. Celebrezze to be Secretary of HEW. p. 13277

The Banking and Currency Committee reported the nomination of H. Gardiner Ackley to be a member of the Council of Economic Advisers. p. 13277

10. FLOOD CONTROL. The Banking and Currency Committee reported with amendment S. 3066, to authorize a study of methods of helping to provide financial assistance to victims of flood disasters (S. Rept. 1747). p. 13278

11. ELECTRIFICATION. The Interior and Insular Affairs Committee reported with amendment S. 3153, to guarantee electric consumers in the Pacific Northeast first call on electric energy generated in Federal plants in that region and to guarantee electtic consumers in other regions reciprocal priority (S. Rept. 1748). p. 13278

12. TAXATION. Sen. Byrd, Va., inserted an announcement of the Finance Committee of action taken by the Committee on H. R. 10650, the proposed Revenue Act of 1962. With respect to tax treatment of cooperatives and patrons the announcement contains the following statement: "The committee tentatively agreed to require that in order for a cooperative to receive a deduction for qualified script, at least 20 percent of the value of the patronage dividend (including qualified script) must be paid in cash. The staffs were instructed to review the consent

the overwhelming majority of the American people, including the overwhelming majority of the people of Pennsylvania, are not much interested in flag waving against communism. They would like to see hungry people fed. They would like to see the President with adequate flexible authority to utilize the power of the United States where he believes it can best be utilized in order to diminish Russian power through helping the nations of Eastern Europe in their efforts—and the people of those nations are almost unanimous in those efforts—to free themselves from the Communist yoke. The action we took in the Senate 2 or 3 weeks ago was immature. I do not believe it was in the national interest. I am happy to vote in favor of the conference report.

Mr. HRUSKA. Mr. President, I should like to direct a question to the Senator from Alabama with respect to section 251, subparagraph (c), for the information of the Senate. The language I refer to is contained on page 13170 of the CONGRESSIONAL RECORD. That paragraph starts:

> No assistance shall be provided under this act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered—

And so forth. There are other places later in that section where the words "or person" are found.

The question I should like to ask the Senator from Alabama is why the words "or person" were inserted in that paragraph where they did not exist before.

Mr. SPARKMAN. I shall be very glad to respond to the Senator's question. Upon examining the language that was in the bill, in both the Senate and House versions, we realized, after some discussion, that the word "citizen," which was used in both versions, might not and probably did not cover as broad a ground as the term "person."

The Senator knows that under the 14th amendment to the Constitution the word "person" has been construed to include corporations. We felt that the word "citizen" did not include corporations. I call the Senator's attention to the fact that in another place we use the word "entity." We felt that we wanted the individual, the corporation, and the partnership covered. It is our intention to use language that legally will accomplish our objective.

Mr. HRUSKA. Therefore, by using the word "person," we intend to include a corporation, a partnership, and an association that is substantially owned by U.S. citizens?

Mr. SPARKMAN. That is correct. As I said, in another place we also use the term "entity," because we felt that term should be used.

Mr. HRUSKA. The same intention prevails in that regard?

Mr. SPARKMAN. Yes.

Mr. HRUSKA. I thank the Senator.

Mr. HUMPHREY. Mr. President will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I merely wish to associate myself with the interpretation stated by the Senator from Alabama. I was the author of this particular amendment. At the time the amendment was offered, it was my view, obtained from legal counsel, that the word "citizen" would be adequate. However, on careful examination and after we had a discussion of the matter in the conference committee, it was felt that in order to remove any doubt, any ambiguity, any uncertainty, the word "person," which as a legal base in the courts of the United States and in international courts——

Mr. HRUSKA. And in the statutes.

Mr. HUMPHREY. We felt it should be used so that there would be no doubt that it includes corporations, partnerships, and individuals.

Mr. HRUSKA. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2147) for the relief of Felipe O. Pagdilao.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. CANNON, Mr. FORD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 46) to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir Areas, N. Mex., and for other purposes, and it was signed by the Vice President.

FOOD AND AGRICULTURAL ACT OF 1962

The VICE PRESIDENT. The Chair lays before the Senate the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The bill (H.R. 12391) was read the first time.

The VICE PRESIDENT. Is there objection to the second reading?

Mr. AIKEN. Yes.

Mr. DIRKSEN. I object.

The VICE PRESIDENT. Objection is heard. Under the rule the bill will go over for a day.

FOREIGN ASSISTANCE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. AIKEN. Mr. President, I am not fully satisfied with the conference report on the foreign aid program. There are some provisions in it which I believe could be improved and some things that could be left out. There are undoubtedly some things that could be added. However, I do want to say that we cannot run the risk of suddenly cutting ourselves off from the rest of the world in these programs. I can express the hope that the administration of these programs will be better than it has been for the last 2 or 3 years. It appears now that this is the best agreement that we can reach between the House and the Senate.

On some points we were quite wide apart. For instance, the House, by a vote of 277 to 4, approved giving the President authority to deal with Yugoslavia. The Senate was not as tolerant or as lenient as that. However, I believe we have reached the best arrangement that we can reach, and whether it is satisfactory or not, it is better than to discard the entire program at this stage of the game.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Montana.

Mr. MANSFIELD. I associate myself with the statement of the distinguished Senator from Vermont. He and the distinguished Senator from Indiana [Mr. CAPEHART] and the distinguished Senator from Iowa [Mr. HICKENLOOPER] were the Republican members of the Senate committee attending the conference on the foreign aid authorization bill.

Since the foreign aid program has been in operation, I have never been fully satisfied with it. As a matter of fact, I have been perhaps dissatisfied on more occasions than I have been satisfied. It is an impossibility to develop a perfect program. It is impossible to meet the objections or criticisms of every Member of the Senate. But I assure the Senate that this conference committee sub-

mitted as good, as fair, and as reasonable a report as possible. It was done on the basis of our own contact with the House committee. There was no outside pressure, from the administration or elsewhere. What we have brought back to this body is the best which we, in good conscience, could report.

Mr. JAVITS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from New York.

Mr. JAVITS. I, too, wish to associate myself with the statement of the Senator from Vermont and to add two points.

First, the bill is a landmark in its recognition of private enterprise participation in foreign aid. It makes provision for participation by the Committee on Commerce in the Alliance for Progress. This is the first such recognition that this type of activity has had.

Second, with respect to the much-debated question of Yugoslavia and Poland, it is my firm opinion that the country does not want to tie the hands of the President in dealing with those countries while there still remains some chance of their becoming independent. Whether Gomulka is Khrushchev's personal slave or not—and we all believe he is—I believe, because I have been in Poland, as have other people from this country, that there is some residual spark of independence. When we consider that the cost of this program is minor, as compared with what it would cost, if there were a blowup of this situation, to beat the Soviet Union, except by this means of undermining support in its own satellite country, one day, it seems to me the conferees had no other choice.

I know how the Senator from Vermont feels about the report. I pay tribute to him for subordinating even his own strong views in order to give the President the freedom of action which I think is indispensable to our success in the cold war.

Mr. AIKEN. Mr. President, this is probably the best arrangement that can be reached for this year. Even though we are not completely satisfied with it, the report should be approved. The debate that has taken place on the floor of the Senate probably has not been too damaging. I think the people of the United States will be assured that we are each year giving more careful scrutiny to the foreign aid program. Also, we may give a warning to many other countries in the world, which have been looking to us for aid, some of them for the purpose of using their own funds to generate revolutions, that we will be much more careful in the future in dealing with them, too.

Mr. HOLLAND. Mr. President, I intend to vote, although with some reluctance, for this conference report. I wish to put the conference report on the basis of a clearer statement of its meaning than I have heard, at least up to this time.

The conference report deals with a fresh authorization, for this year, fiscal 1963, for economic aid only. Last year we authorized military aid for this year in the amount of $1.5 billion. Last year we authorized a Development Loan Fund to extend over a period of years. This year there is a budget request of $1.25 billion for this objective making a total of $2.75 billion of 1963 authorizations which are not before us at this time.

However, there is before us now a request for economic aid for this year in the amount of $1.8 billion, as I understand, which includes $600 billion for the Alliance for Progress to which we are committed. The other $1.2 billion is for aid outside this hemisphere, plus our contributions to international organizations, and the like. In other words, we are considering now only a fraction and, at that, not a huge fraction of our total aid program for this year. This makes it easier to swallow some of the provisions in the conference report, which to me, at least, are not what they should be.

I particularly object to the elimination from the conference report of the provision voted very deliberately on the floor of the Senate, that, except for grants of food, subject to reasonable conditions, aid should not be given to Communist nations. I refer to economic aid of any sort other than what I have mentioned in connection with Public Law 480.

It seems to me that we must consider these proposals from the standpoint of their overall implications. I should say that last year we authorized roughly two-thirds of the proposed programs for this year. That part of the program which is now before the Senate is all that really concerns us in this particular authorization. Because of that fact, and because we voted for this and larger authorizations last year, and because the Committee on Appropriations, of which I am a member, will still have the duty of passing upon the appropriations bill for this year, I shall, very reluctantly, vote for the conference report. I shall do so not only for the reasons cited, but because it has been made completely clear by the attitude of the Presidents coming from both parties for the last 20 years—namely, President Truman, President Eisenhower, and President Kennedy—who formulate and announce our foreign policy, that foreign aid is an important and a necessary part of our foreign policy. It has been made clear to us by those who fix our defense policies, namely, the President, the Secretary of Defense, and the Joint Chiefs of Staff, that the whole program includes a very important part of our defense security structure.

For the reasons stated, I shall vote for the conference report. However, I serve notice that this year I will be tougher to deal with in the Committee on Appropriations than I have been heretofore, because I believe too much has been surrendered in the conference report as compared with the bill passed by the Senate.

Mr. COTTON. Mr. President, despite the fact that I am a supporter of the foreign aid policy, I shall vote against the conference report. I shall do so because I know that if this report is rejected, another conference would be held on the foreign aid authorization bill and it would come back to us for passage.

If this conference report is agreed to, we shall have relinquished for at least 1 full year the opportunity to implement the overwhelming wishes of the Senate and what I believe to be the wishes of the people of the country that there be an ironclad, safe, secure provision against aid to Tito's Yugoslavia and other Communist countries.

Mr. SPARKMAN subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD at a point just prior to the yea-and-nay vote on the conference report an editorial from the Huntsville Times, of Huntsville, Ala., for July 10, 1962, entitled "Aid for Yugoslavia?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR YUGOSLAVIA?

A man of considerable prestige and expertise on Communist affairs has been thrown into the administration's foreign-aid battle in Congress.

In an unprecedented use of an ambassador, George F. Kennan has been enlisted to explain to Members of the House the facts about U.S. aid to Yugoslavia, the country to which he is assigned as chief of mission.

Kennan, the former Ambassador to Russia and famed as the author of the Government's containment policy in the late 1940's, has quietly made appointments with key Congressmen and briefed them on Yugoslavia policy and aims, as he sees them. He has not asked any of them for commitments to vote against what the administration regards as crippling amendments that would force the President to deny aid to Yugoslavia and other Communist countries attempting to assert their independence of Moscow.

Kennan, according to administration officials as well as congressional sources, has simply outlined what the Yugoslavs are trying to do, the degree of independence they have shown toward Moscow, and the degree of freedom they have.

We would ask the reader to consider that—

Yugoslavia is not a member of the Soviet-inspired Warsaw pact.

It has no restrictions against Western radio broadcasts and movie imports.

Its people can subscribe to the Western press.

It allows three U.S. Information Agency libraries to flourish in major cities.

The United States knew Yugoslavia was a Communist country in 1949–50 when Washington made the decision to help Marshal Tito maintain his independence from the Soviet bloc. That nothing has happened to cause a change now.

In short, it would seem that it is in the interests of the United States, and the West to permit the President to decide whether Yugoslavia should continue to be aided through loans involving American surplus foodstuffs and through trade arrangements that do not discriminate against it.

The VICE PRESIDENT. The hour of 1 o'clock having arrived the Senate will now proceed, under the provisions of the unanimous-consent agreement previously entered into, to take a yea-and-nay vote on the question of agreeing to the conference report on Senate bill 2996, the Foreign Assistance Act of 1962.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 24, 1962
For actions of July 23, 1962
87th-2d, No. 125

CONTENTS

Appropriations.....10,14
Assistant Secretary.....2
Budgeting.....18
Buildings.....11
Employment.....9
Family farm.....15
Farm loans.....20
Farm program.....1,3,15,16
Flood control.....13
Foreign aid.....17
Forest Service.....10
Forestry.....7
Information.....19
Lands.....8,23
Library services.....19
Loans.....20
Military service.....9
Mining.....23
Nominations.....2
Personnel.....5,22
Poultry inspection.....10
Public lands.....8
Reclamation.....12
Research.....4
Roads.....6
Training.....5
Wheat.....3,21

HIGHLIGHTS: Farm bill referred to Senate Agriculture Committee to be reported by July 30. Sens. Aiken and Proxmire discussed merits of new farm bill. Both Houses agreed to conference report on supplemental appropriation bill. Senate received Baker nomination to be Assistant Secretary. Sen. Robertson submitted amendment to eliminate minimum 55 million acre national wheat acreage allotment. Sen. Miller criticized industrial uses research program of this Department. Rep. Spence introduced International Wheat Agreement bill. Rep. Johnson, Wis., introduced bill to increase limitation on FHA insured loans.

SENATE

1. FARM PROGRAM. Agreed to a motion by Sen. Ellender to refer H. R. 12391, the new farm bill, to the Agriculture and Forestry Committee with instructions to report the bill to the Senate not later than Monday, July 30. pp. 13543-5

   Sen. Aiken commended the action to refer the bill to committee and reviewed the "operation of the farm program under the present administration and the changing situation as it relates to certain commodities." pp. 13551-4

   Sen. Proxmire commended referral of the bill to committee and urged that the bill be amended in several respects. pp. 13556-7

2. NOMINATIONS. Received the nomination of John A. Baker to be an Assistant Secretary of Agriculture. p. 13570

   Confirmed the nomination of H. Gardner Ackley to be a member of the Council of Economic Advisers. p. 13526

(over)

3. WHEAT. Sen. Robertson submitted an amendment intended to be proposed to H. R. 12391, the new farm bill, to "eliminate from the permanent law the requirement for 55 million acres of wheat." p. 13528

Received from this Department a proposed bill to extend the International Wheat Agreement of 1949; to Agriculture and Forestry Committee. p. 13526

4. RESEARCH. Sen. Miller criticized this Department's research program on new industrial uses for agricultural commodities, urged that the Department "make clear just what its policies and program with respect to this subject have been and are," and inserted an article, "USDA Dragging Feet on Products Research." p. 13539

5. PERSONNEL. Passed without amendment H. R. 6374, to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings. This bill will now be sent to the President. p. 13554

Passed without amendment S. 919, to amend the Hatch Political Activities Act so as to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for violation of certain restrictions on participation in election activities. pp. 13554-5

6. ROADS. Passed with amendment S. J. Res. 137, to authorize the Secretary of Commerce, in cooperation with Alaska, to undertake studies and surveys relative to a highway construction program for Alaska. pp. 13560-1

7. FORESTRY. The names of Sens. Church and Morse were added as cosponsors of S. 3517, to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce. p. 13528

8. PUBLIC LANDS. Received from Interior a letter transmitting "a program for the public lands and resources." to Interior and Insular Affairs Com. p. 13526

9. EMPLOYMENT; MILITARY SERVICE. Received from Labor a proposed bill "to amend and clarity the reemployment provisions of the Universal Military Training and Service Act"; to Armed Services Committee. p. 13526

HOUSE

10. SUPPLEMENTAL APPROPRIATIONS. Both houses agreed to the conference report on H. R. 11038, the second supplemental appropriation bill, 1962. This bill will now be sent to the President (pp. 13439-41, 13545-8). Both houses also agreed to H. Con. Res. 505, reducing certain items in the bill, including deletion of $425,000 for AMS for poultry inspection, and reducing the appropriations for the Forest Service from $37 million to $34,500,000 (pp. 13436-9, 135-48-50). Attached to this Digest is a table showing action on items in this Department.

11. BUILDINGS. The Public Works Committee reported without amendment H. R. 12398, to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street S.W. in D.C. (H. Rept. 2026). p. 13523

12. RECLAMATION. Received from Interior a letter relative to an application for a loan of $4,620,000 to the Roosevelt Irrigation District in Maricopa County, Ariz.; to Interior and Insular Affairs Committee. p. 13523

13. FLOOD CONTROL. Pursuant to the Watershed Protection and Flood Prevention Act, as amended, the Public Works Committee approved the following work plans:

"*Resolved*, That a certified copy of this resolution be forwarded by the secretary of state of the State of Mississippi to the President of the United States, the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, and to each Member of the U.S. House of Representatives and the U.S. Senate.

"Adopted by the house of representatives May 16, 1962.

"———— ————,

"Speaker of the House of Representatives.

"Adopted by the senate May 18, 1962.

"———— ————,

"President of the Senate."

A petition signed by 35 Governors in attendance at the National Governors' conference in Hershey, Pa., favoring the enactment of a constitutional amendment to permit the continuance of recognition to an abiding faith in God in the public schools; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

S. 2256. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island (Rept. No. 1749).

By Mr. KEATING, from the Committee on the Judiciary, with an amendment:

S. 2978. A bill to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario (Rept. No. 1750).

By Mr. WILEY, from the Committee on the Judiciary, without amendment:

H.R. 10184. An act to amend section 130 (a) of title 28, United States Code, so as to reconstitute the Eastern Judicial District of Wisconsin to include Menominee County, Wis. (Rept. No. 1751).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3295. A bill for the relief of Mathew Lengyel (also known as Brother Paul, S.V.D.) (Rept. No. 1754);

H.R. 2129. An act for the relief of John Calvin Taylor (Rept. No. 1758);

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak (Rept. 1759);

H.R. 3000. An act for the relief of Lea Min Wong (Rept. No. 1760);

H.R. 3372. An act for the relief of Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil (Rept. No. 1761);

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo (Rept. No. 1762);

H.R. 3821. An act for the relief of Ivy Gwendolyn Myers (Rept. No. 1763);

H.R. 3822. An act for the relief of Ahsabet Oyunciyan (Rept. No. 1764);

H.R. 4718. An act for the relief of Bogdan Kusulja (Rept. No. 1765);

H.R. 6833. An act for the relief of Frantisek Tisler (Rept. No. 1766);

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo) (Rept. No. 1767);

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps, who incurred losses pursuant to the cancellation of a permanent change of station movement (Rept. No. 1768);

H.R. 10525. An act for the relief of Francis L. Quinn (Rept. No. 1769); and

H.R. 11127. An act for the relief of Ernst Haeusserman (Rept. No. 1770).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1781. A bill for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased) (Rept. No. 1753);

S. 3198. A bill for the relief of Renata Lattanzi (Rept. No. 1755);

S. 3215. A bill for the relief of Kim Chong Koo (Rept. No. 1756); and

S. 3228. A bill for the relief of Panagiota Makris (Rept. No. 1757).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2546. A bill to authorize the naming of the Old River, La., structures in honor of the last Capt. A. A. Humphreys and Lt. H. L. Abbot (Rept. No. 1771);

S. 2660. A bill to designate the lake to be formed by the waters impounded by the Clark Canyon Dam in the State of Montana as Hap Hawkins Lake (Rept. No. 1772);

S. 2988. A bill to change the name of the Big Bend Reservoir in the State of South Dakota to Lake Sharpe (Rept. No. 1773);

S. 3441. A bill to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building (Rept. No. 1774);

S. 3476. A bill to change the name of Fort Randall Reservoir in the State of South Dakota to Lake Francis Case (Rept. No. 1775);

S. 3525. A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes (Rept No. 1776);

S. 3544. A bill authorizing modification of the project for Gloucester Harbor, Mass. (Rept. No. 1777);

S.J. Res. 169. Joint resolution designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge (Rept No. 1778);

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol grounds (Rept. No. 1780);

H.R. 11735. An act authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project (Rept. No. 1781); and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah (Rept. No. 1779).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

H.R. 8181. An act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation (Rept. No. 1782).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 86), and submitted a report (No. 1752) thereon, which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(4) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A–12269388, June, Wong Way;
A–10758754, Dai, Chew Sin;
A–12586379, Lum, Bak-Min;
AA–28009, Lee, Kai Suen;
A–11925176, Teng, James Wong;
A–12261123, Kwan, Chan Chew;
A–11721429, Fong, Chin Hoy;
A–11948980, Ginn, Annie;
A–7841723, Nurmeta, Nikolai;
A–11596987, Lee, Gar Way;
A–11596986, Lee, Won Wah;
A–7876042, Lee, Sin Ha;
A–8027478, Wiwczar, Michael;
A–8091415, Soter, Gus;
A–11433474, Gin, Win Gon;
A–11170722, Huey, Thick Chu;
A–12642507, Jew, Ming Wai;
A–12249576, Kim, Duck Lee;
A–7898650, Martino, Vincenzo;
A–11629250, Quan Bing Kwong;
A–11629274, Quan, Dong Guay You;
A–11814222, Wong, Ngoon Fow;
A–12671644, Yau, Chong Lew;
A–10767929, Yee, Yat Hung;
A–12648341, Keong, Leong;
A–11598045, Moy, Fay Yen;
A–12082442, Youn, Yin Yu;
A–10772062, Chinn, Gwai Bun;
A–11407947, Yee, Miu Lee;
A–11407955, Yee, Moo Tuk;
A–11407951, Yee, Mun Moy;
A–12086307, Chung, Pak Jow;
A–12671828, Wong, Gain Yuey;
A–6017938, Edwards, George Eugene;
A–12682571, Tom, Wai Yin;
A–11805098, Wong, Doo Yen.

SEC. 2. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254):

A–11909555, Marquez-Paez, Raul;
A–2395556, Pond, James Leo;
A–2302786, Ochoa, Gilbert;
A–2610759, Alvanos, Elias;
A–10728848, Prieto-Guzman, Jesus;
A–4386589, Contreras, Domingo;
A–12640925, Wong, Sik Tong;
A–2305713, Norrito, Mario;
A–5420979, Gomez, Margarito;
A–4049513, Jubera-Martinez, Alvaro;
A–1087969, Tobar-Medina, Manuel;
A–3599256, Mota, Augustine;
A–5782421, Wedwick, William Anton;
A–2652678, Gigliotti, Emilio;
A–12336155, Hinterberg, Kurt;
A–3820408, Mosqueda, Rutilio;
A–5616730, Sestan, Giordano Bruno;
A–2627998, Wong, Rose Chan;
A–11596573, Yee, Soon Hing;
A–12655608, De La Cerda-Sarmento, Manuel;
A–10940563, Shen, Shih Fang;
A–10135562, Shen, Wei Fan;
A–5479179, Veloz-Reyes, Ygnacio;
A–12652444, Wong, Pon;
A–4329804, Porras Andres;
A–12647207, Lew, Kim Yee;
A–2442221, Romero-Madrigal, Juan;
A–8538501, Wittenber, Jan Peter;
A–12652388, Won, You Hong.

SEC. 3. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A–8039129, Tsangaris, Constantinos;
A–7189102, Kee, Mon.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BOTTUM (for himself and Mr. MUNDT):

S. 3564. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BOTTUM when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTION

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 86) favoring the suspension of deportation of certain aliens, which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

RELIEF FOR RESIDENTIAL OCCUPANTS OF CERTAIN UNPATENTED MINING CLAIMS

Mr. BOTTUM. Mr. President, I introduce, for appropriate reference, a bill designed to protect certain property interests of individuals holding unpatented mining claims, which are determined by the Secretary of the Interior to be null and void.

In cases where unpatented mining claims are determined to be invalid this bill proposes to empower the Secretary of the Interior to convey by purchase to the holder of the unpatented claim land within the claim upon which valuable improvements have been made, providing that the area of the parcel does not exceed 5 acres. Under the terms of this bill only claimants who are seasonal or year-round residential occupant-owners could qualify as purchasers of these improved tracts. The bill also requires that the claimant must have been an occupant-owner as of January 10, 1962.

Mr. President, this bill represents one of the final legislative endeavors of my long-time friend and distinguished predecessor, Francis Case. This bill was introduced by Senator Case as S. 3458 on June 21—just 1 day before his sudden and tragic passing. Senator Case had introduced this measure to provide an equitable basis for dealing with mining claimants, who have lost their mining claims through administrative determination and who stand to suffer still greater losses by reason of the physical impossibility of moving valuable improvements which they have placed on these lands during the years they have developed their claims. Throughout the Black Hills area of South Dakota we have had a good many mining claims declared null and void during the past year or so. The former holders of these claims stand to suffer substantial losses, because of the impossibility of moving cabins and other valuable improvements located on this mining property.

I feel that this proposed legislation developed by Senator Case provides a reasonable method for protecting the very legitimate property interests of mining claimants when the Department of the Interior determines that a claim is no longer valid.

Because of my belief in the soundness of this proposal and so that this proposed legislation will have an active sponsor in the remaining term of the 87th Congress I am reintroducing the Case bill with my colleague, the senior Senator from South Dakota [Mr. MUNDT], as a cosponsor, in the hope that the Committee on Interior and Insular Affairs, on which I am privileged to serve as a member, will take action prior to adjournment.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3564) to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes, introduced by Mr. BOTTUM [for himself and Mr. MUNDT], was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FOOD AND AGRICULTURAL ACT OF 1962—AMENDMENT

Mr. ROBERTSON. Mr. President, I submit, for appropriate reference, an amendment to House bill 12391, to improve and protect farm income, to reduce costs of farm programs to the Federal Goverment, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, to eliminate from the permanent law the requirement for 55 million acres of wheat.

We have a normal annual need of 600 or 700 million bushels. We now have in storage 1,090 million bushels of wheat, which cost us $2,146 million. We are spending on it $147,200,000 a year, and I say we cannot go before the taxpayers and justify that kind of program any longer. So, regardless of whether the farm bill is acted on immediately here on the floor, or whether it is referred to the Committee on Agriculture and Forestry—as I think should be done—for appropriate amendment, I think this amendment should be included.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Agriculture and Forestry.

PROMOTION OF FLOW OF DOMESTICALLY PRODUCED LUMBER IN COMMERCE—ADDITIONAL COSPONSORS OF BILL

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the names of Senators CHURCH and MORSE may be added to the bill (S. 3517) to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce. This is the bill which would segregate tariffs and duties on lumber imports to be used for production and marketing research.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 23, 1962, he presented to the President of the United States the enrolled bill (S. 2147) for the relief of Felipe O. Pagdilao.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery over Wisconsin radio stations on July 21, 1962, on the need for family farm study.

Text of weekly broadcast over Wisconsin radio stations on July 23, 1962, on the subject of disarmament.

By Mr. TALMADGE:

Article entitled "America's New Hero, Lt. Col. John H. Glenn, Jr., Is Eighth To Be Selected as a Great American," published in a recent issue of Dixie Business magazine, dealing with the selection of Lt. Col. John H. Glenn, Jr., to receive that publication's Great American Award for 1962.

By Mr. MUNDT:

Article entitled "Medicare Can Be Crucial Issue," written by Roscoe Drummond and published in the Washington Post of July 22, 1962, dealing with various proposals for medical care for the aged.

By Mr. JACKSON:

News release dated July 23, 1962, from the Department of Defense, Office of Public Affairs, Washington, D.C., dealing with the selection of Senator MAGNUSON by the Joint Chiefs of Staff to receive the 13th annual National Transportation Award of the National Defense Transportation Association.

REMARKS MADE AT GOLDEN ROSE AWARD TO SENATOR MARGARET CHASE SMITH, OF MAINE

Mr. AIKEN. Mr. President, on July 19, the Florists' Telegraph Delivery Association presented its first annual Golden Rose Award to Senator MARGARET CHASE SMITH, of Maine. I ask unanimous consent to have printed in the body of the RECORD the remarks made on that occasion by the majority leader, the Senator from Montana, Mr. Mansfield; the minority leader, the Senator from Illinois, Mr. Dirksen; Senator Margaret Chase Smith, of Maine; and Mrs. Doris H. Remis, president of the Florists' Delivery Association, at the time when she presented the award.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

COMMENTS OF SENATORS MADE AT GOLDEN ROSE AWARD CEREMONIES AT CAPITOL ON JULY 19, 1962, IN HONOR OF SENATOR MARGARET CHASE SMITH

SENATOR MANSFIELD'S COMMENTS

I can think of no person more deserving of the honor accorded her today than the

gram and others covered by H.R. 10606 which had expired on June 30. I cosponsored this measure with my West Virginia colleague Senator ROBERT C. BYRD, the senior Senator from Illinois [Mr. DOUGLAS], and the senior Senator from New York [Mr. JAVITS]. But this temporary extended bill was not acted on by the Finance Committee.

Finally, when the hour arrived on July 17 to vote on the Kerr motion to table the Anderson health care amendment, I recorded my vote on the basis of my own decision as to the proper course for me to take in the light of all facts as I understood them. I had made the personal evaluation that the Anderson amendment attached to H.R. 10606 would delay or defeat the whole measure. I chose the course that led to the speedy passage of a vitally needed bill rather than the course that seemed to me to lead only to stalemate and probably chaos and much misery in the State I represent, in part, in this body.

I repeat in conclusion, Mr. President, that the article writen by Mr. Pearson is inaccurate as to the so-called West Virginia amendment. It is equally inaccurate in reference to a "secret deal" between the senior Senator from Oklahoma [Mr. KERR] and the senior Senator from West Virginia.

FOOD AND AGRICULTURAL ACT OF 1962

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate, for a second reading, the bill (H.R. 12391), the so-called farm bill. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I object to any further proceedings on H.R. 12391.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Is it mandatory under the rule when objection has been made to further proceedings on the bill now laid before the Senate, and on which there has been the second reading, that the Chair refer the bill to the calendar?

The PRESIDING OFFICER. It is mandatory under rule XIV unless a point of order is raised on the effect that that has in this particular situation.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry?

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. In my judgment, the objection that has been made by the chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER], does not require a unanimous-consent request to make it, but at least I think I should ask the question in order to round out the record.

The PRESIDING OFFICER. If objection is raised under rule XIV, the bill would go to the calendar under the rule itself.

Mr. DIRKSEN. Further in the parliamentary field, has the Chair actually, in view of the objection by the distinguished Senator from Louisiana, made a commitment of the bill to the calendar?

The PRESIDING OFFICER. The Chair has not made that decision. The Chair is awaiting a point of order which would delay further proceedings.

Mr. DIRKSEN. While I am quite familiar with the last paragraph of rule XIV, with particular reference to a House bill or resolution which is sent to the Senate, and on which there has been a second reading, that on objection to the further consideration of the measure it should go to the calendar upon action by the Chair. But I direct the Chair's attention to the fact that in the Legislative Reorganization Act of 1946, in which we prescribed the standing committees of the Senate and set forth in great detail the jurisdiction of those committees, it is also recited that bills and resolutions shall be referred or committed to the committees where the jurisdiction has been defined.

In my judgment, in the instant case the bill should be referred to the Committee on Agriculture and Forestry rather than to have it placed on the calendar. I point out that there is a conflict as between Rule XIV and the jurisdictions which are set forth in rule XXV. One who would protest is at something of a disadvantage if his protest and a point of order were considered as an appeal from a ruling of the Chair.

I wish to make a point of order, and I shall make it after the Chair has made his ruling, which I think that would be the appropriate time, so that the Senate itself may take action on the matter and determine whether the bill should be placed on the calendar or should be referred to the Committee on Agriculture and Forestry.

I make one other point: that this question is debatable and that a point of order would be debatable also.

The PRESIDING OFFICER. In accordance with the decisions made on two separate occasions, one in 1948 and one in 1947, and following that precedent, it would be the Chair's intention to submit the point of order of the Senator from Illinois to the Senate.

Mr. DIRKSEN. I am familiar, of course, with the proceedings had in 1948. That was the celebrated Oleomargarine case. The issue there was simple. I can readily understand the Senate's action.

The 1957 case was the Civil Rights case. I am aware of the fact that the measure in that case was the civil rights bill, under which the Civil Rights Commission was created. The Senate also considered other matters.

I am aware also that awkward and sometimes embarrassing moments come. But, as has been so often said, a foolish consistency is the hobgoblin of little minds. At that time the Senate was confronted with an emotional issue; and over a long period of years we had encountered filibusters or, shall I say, extended periods of expression which somehow made it difficult to secure action on a bill in the civil rights field. I think I can comfort myself with the fact that while that measure, particularly, was limited in scope, the measure which is now before us actually touches and vitally touches every State of the Union. For that reason, it ought to have committee consideration.

Not the least of the items referred to in the recent debate on the medicare proposal was the fact that it was a broadgage problem which the Department of Health, Education, and Welfare contended would cost probably $1,100 million, but which the experts contended would cost perhaps twice that much, and which would affect millions of wage earners all over the country.

The PRESIDING OFFICER. Let the Chair call attention to the fact that the point of order must be made before 2 o'clock.

Mr. DIRKSEN. Mr. President, I make the point of order.

Mr. HUMPHREY. Mr. President, let me call attention to the fact that it is now 2 o'clock.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 6374) to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. The Senator from Illinois has asked unanimous consent that further proceedings under the call be suspended. Is there objection? The Chair hears none, and it is so ordered.

FOOD AND AGRICULTURAL ACT OF 1962

Mr. DIRKSEN. Mr. President, with respect to the question that was before the Senate before the absence of a quorum was noted, I had lodged a point of order with respect to procedure after the second reading of the farm bill. I am now prepared to withdraw the point of order. I defer to the distinguished chairman of the committee, the Senator

from Louisiana [Mr. ELLENDER], for a statement on the subject.

Mr. ELLENDER. Mr. President, after consultation with many Senators, I am now prepared to move that H.R. 12391 be referred to the Committee on Agriculture and Forestry with instructions that the bill be reported to the Senate not later than Monday, July 30.

The VICE PRESIDENT. As the Chair understands, the Senator from Illinois has withdrawn his point of order.

Mr. DIRKSEN. That is correct.

The VICE PRESIDENT. Under the rule, the bill would then go to the calendar. The Senator from Louisiana has moved that the bill be referred to the Committee on Agriculture and Forestry with instructions to report the bill to the Senate not later than July 30.

The question is on the motion of the Senator from Louisiana.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. As I understand, there must first be a motion to consider the bill before the bill can actually be referred.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. If a motion to consider were made and agreed to, would not such action set a precedent by bypassing a committee?

The VICE PRESIDENT. The Parliamentarian has answered that inquiry by saying that such action would not prevent the making of a motion to refer the bill to a committee.

Mr. McCLELLAN. The question is, Would not the action set a precedent of bypassing a committee, unless a motion were made to refer the measure to a committee and that motion were agreed to?

The VICE PRESIDENT. The Parliamentarian has informed the Chair that in his opinion the inquiry is not a proper parliamentary inquiry.

Mr. McCLELLAN. Mr. President, am I to understand the Chair to rule that it is not a proper parliamentary inquiry for me to ask whether a motion to consider a bill that is in the status of the bill about which we are speaking at present would not be tantamount to bypassing the committee to which the bill would normally be referred?

The VICE PRESIDENT. The Parliamentarian has informed the Chair that the question is one of interpretation.

Mr. McCLELLAN. I am asking for an interpretation.

The VICE PRESIDENT. The question is one that the Senate has reserved to itself. Normally the Presiding Officer does not pass on such questions.

Mr. McCLELLAN. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. I preface my inquiry by making the statement that in agreeing to the arrangement which I understand has been arrived at, a motion will be made immediately to refer the bill to a committee, to which I have no objection. With that understanding and with that arrangement, I shall not object. But I want the RECORD clearly to show that in agreeing to the arrangement under these circumstances, I am not, so far as I am personally concerned, agreeing to set any precedent to permit such action to become a practice. I would not agree to the action except that I understand that some satisfactory arrangement has been made.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry——

Mr. DIRKSEN. Mr. President, I believe I have the floor.

The VICE PRESIDENT. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. Is it in order to move to consider and at the same time couple in that motion a second provision to refer the measure to committee? Under the rule, then, the motion would be in the first part a motion to consider and, in the second part, a motion to refere to a committee. Such action would be on the basis, of course, of the understanding that the measure would be referred to the committee.

The VICE PRESIDENT. The Senator from Illinois has correctly stated the situation.

Is there objection to the present consideration of the bill?

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. I believe that the question asked by the Senator from Illinois, which, as I understand, he changed slightly before the Chair answered, was as follows: Is it proper to make a motion consisting of two provisions: First, to consider and, in the same motion and as an integral part of it, to refer the measure to a committee?

The VICE PRESIDENT. The Parliamentarian advises the Chair that under the precedents it is not.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HUMPHREY. When a point of order is withdrawn after the second reading of a bill has taken place, does not the Chair automatically place the bill on the calendar?

The VICE PRESIDENT. The Senator is correct.

Mr. HUMPHREY. When the bill is on the calendar, a motion to consider the bill is then in order, and a motion to refer to a committee with instructions would likewise be in order.

The VICE PRESIDENT. After the bill is before the Senate.

Mr. HUMPHREY. After the bill is before the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Mr. President, I do not like to prolong the controversy, but there have been a great many statements in the Senate with respect to bypassing committees. In my viewpoint the present action is not in any sense a bypassing procedure.

Rule XIV, subsection (3), which appears on page 14 of the Standing Rules of the Senate, specifically provides the procedure. As I understand, at present the bill is on the table. It has been read twice. Objection was made to proceeding further on the bill.

Then a point of order was made by the Senator from Illinois. That did not put the bill on the calendar. I understood that the bill had been taken off the table and brought before the Senate. Now the Senator from Illinois has withdrawn his point of order. The Senator from Louisiana [Mr. ELLENDER] then moved to refer the bill to the Committee on Agriculture and Forestry with instructions.

I do not wish to belabor the point, but I wish to read the portion of the rule to which I have referred:

> No bill or joint resolution shall be committed or amended until it shall have been twice read, after which it may be referred to a committee; bills and joint resolutions introduced on leave—

I interpolate here to call the attention of the Senate to the following language—

> and bills and joint resolutions introduced on leave, and bills and joint resolutions from the House of Representatives, shall be read once, and may be read twice, on the same day, if not objected to, for reference—

Objection was made to reference—

> but shall not be considered on that day nor debated, except for reference, unless by unanimous consent.

I insist that if the English language means anything, the motion to refer made by the Senator from Louisiana, would be in order, even though the bill had not gone to the calendar.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President——

The VICE PRESIDENT. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I renew my motion.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana to refer the bill to the Committee on Agriculture and Forestry with instructions to report the

bill to the Senate not later than Monday, July 30.

Mr. AIKEN. Mr. President, I should like to address a question to the distinguished Senator from Louisiana [Mr. ELLENDER].

If the bill is reported to the Senate not later than Monday, July 30, when does the Senator contemplate bringing the bill before the Senate for action?

Mr. ELLENDER. Not earlier than Wednesday of next week.

Mr. AIKEN. Not earlier than Wednesday of next week?

Mr. ELLENDER. That is correct.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. If the bill is referred to the committee, does the Senator from Louisiana have any idea when the committee would consider the bill?

Mr. ELLENDER. The day after tomorrow, if we can, since that is our regular meeting day.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

THE ACHIEVEMENTS OF THE AIR NATIONAL GUARD IN THE BERLIN CALLUP

Mr. KEFAUVER. Mr. President, much has already been said concerning the Berlin callup and especially the magnificent achievements of the Air National Guard last October in deploying over 200 jet aircraft across the Atlantic Ocean without an accident. Two squadrons, whose aircraft, the F–104 Starfighter, had to be dismantled and flown across the ocean in transport planes because of its short range, are doing a magnificent job for the 86th Air Division at Ramstein Airbase, Germany.

These men, from the 197th Fighter Interceptor Squadron, of Phoenix, Ariz., and from the 151st, of Knoxville, Tenn., have been getting their aircraft into the air and blasting their way to the Iron Curtain border on training missions so fast that Communist jets are at times barely off the ground when the F–104's are already on the way back to home bases.

Maj. Gen. H. R. Spicer, commander of the 17th Air Force, has said:

> The 197th Fighter Interceptor Squadron from Phoenix and the 151st from Knoxville have strengthened my command tremendously. They are not only well trained but they have a wonderful attitude toward being called to active duty.

I am confident that the senior Senator from Arizona [Mr. HAYDEN] joins me in this tribute. The commanding officer of the 197th from Phoenix is Lt. Col. Thomas H. Barnard. The commanding officer of the 151st from Knoxville is Lt. Col. Robert W. Akin.

The men of the 151st from Knoxville, Tenn., have dramatically demonstrated that they deserve the praise given them by General Spicer. This unit has only 18 aircraft compared to the 25 assigned to most units of this type. Despite this fact, during the month of May, these men flew their F–104's more than 836 hours, exceeding the Air Force record number of hours for 1 month flown by the temperamental Starfighters by more than 100 hours, and also that of all types of aircraft in the 86th Air Division. This is a tremendous achievement of maintenance and operation. Yet, at no time did they forget the need to observe all types of safety precautions.

The greatest danger to safety was fatigue and hurry. Starting slowly at the beginning of the month, the squadron upped the number of missions when it was discovered that its morale and maintenance was better than it had ever been. Even at the height of their activity they permitted their pilots to make only two flights per day and maintenance and support personnel agreed that they had worked less during this record month than any previous month since they had deployed to Europe. The easy success of this record-breaking achievement is attributed to the excellent quality of the maintenance performed on the Starfighters and the extremely high morale of the men of the squadron.

On May 31, the 151st was released from alert in order that they might make a fly over with all 18 aircraft. And to show how well pleased the division is with both the men of the 151st and 197th, the division has recommended both squadrons for a Distinguished Unit Citation. I hope that this well-deserved recommendation will be approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2321) to encourage and aid the development of reconstructive medicine and surgery and the development of medico-surgical research by authorizing the licensing of tissue banks in the District of Columbia, by facilitating antemortem and postmorten donations of human tissue for tissue bank purposes, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6967) to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 12, 22, 42, and 53 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 7, 10, 16, 23, 25, 28, 43, 47, and 48 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 505) authorizing the Clerk of the House of Representatives to make changes in the enrollment of H.R. 11038, an engrossed House bill, in which it requested the concurrence of the Senate.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1962—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, before Senators leave the Chamber, I should like to announce that the conference report the Senate is about to consider involves some very unusual procedures, and perhaps Senators who have some interest in it may wish to remain, because we do not want to bring up anything in the absence of a Senator who has an interest.

Briefly, the situation is this: Because of the long lapse of time, there were a great number of items in the second supplemental for 1962 which are now out of date, because fiscal year 1962 has now ceased to exist.

Even though items were in the same amount in both versions of the bill, a device which is unusual in the Senate had to be used to eliminate such items. There are other items in which one House allowed a certain amount and the other a lesser amount, and the final amount was less than either.

This situation called for unusual treatment, which will be described.

Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For conference report, see House proceedings of July 20, 1962, p. 13409, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I note that the distinguished Senator from North Dakota [Mr. YOUNG] is present. He is the ranking minority member of the subcommittee and also on the conference committee. After making a preliminary statement I shall yield to him, unless he wishes to have me yield to him now.

Mr. YOUNG of North Dakota. I merely desire to say that the report was signed by all the conferees, both Democratic and Republican, and the agreements reached were quite satisfactory.

Mr. HOLLAND. I thank the distinguished Senator.

I think it will be helpful to the Members of the Senate if I make a few pre-

liminary remarks with respects to the procedure that will be followed in connection with H.R. 11038, the second supplemental appropriation bill for fiscal year 1962.

This bill passed the Senate on April 16, and the committee of conference did not meet until July 20—a lapse of 3 months. The cause of this delay is well known and there is no necessity for a discussion of that matter at this time.

However, this lapse of 3 months has resulted in a situation whereby some of the funds included in the bill are no longer required. In those instances where such funds were included in a Senate amendment, the matter is treated in the report of the conference committee and amendments in disagreement. This is in accord with the usual procedure of conferences.

However, in those instances where there was no differences in the House and Senate bills and there is no longer a requirement for such funds or a portion thereof, the committee of conference could not in its report make changes in the bill. Therefore, it was determined by the committee of conference that a concurrent resolution would be offered to authorize and direct the Clerk of the House of Representatives to make the necessary changes in the enrollment of the bill. The House of Representatives has passed such a resolution—House Concurrent Resolution 505—a copy of which is on each Member's desk.

Mr. President, in view of this unique procedural situation, I ask unanimous consent that when the report of the conference committee and amendments in disagreement are disposed of the Senate immediately proceed with the consideration of House Concurrent Resolution 505.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I will turn now to some of the major items in the second supplemental appropriation bill.

The first amendment was $3 million recommended by the Senate for the Agricultural Research Service, including funds for the screwworm eradication program in the Southwest. The House had recommended $2½ million for this purpose and the conference committee agreed upon a figure of $2,750,000. Although the fiscal year expired June 30, 1962, the second supplemental appropriation bill had provided for these funds to remain available until June 30, 1963.

In the hearing it was shown that the livestock industry of the affected areas had put up matching funds in a very commendable effort to come to grips with that problem.

The next item in the bill was $425,000 for marketing research and service. The House and Senate had each allowed $425,000 for this purpose and, consequently, there was no Senate amendment under this heading. However, since the fiscal year had expired and these funds were for use during fiscal year 1962, there was absolutely no need to appropriate this amount. Consequently, this entire amendment has been included in the concurrent resolution to which I have previously referred and, accordingly, no funds for this purpose will be included in the bill as it is written into law.

I believe that clearly explains the difficulties occurring in this particular conference. Several other items have also been dealt with in this manner.

The Senate had provided $50 million for the direct loan account of the Farmers Home Administration. The conference committee agreed that $10 million would be sufficient for this purpose, inasmuch as additional funds will be made available in the very near future in the regular Agricultural Appropriation Act for fiscal year 1963.

The Senate had provided $15 million for U.S. participation in the New York World's Fair, which was a reduction of $2 million under the $17 million recommended by the House. The conference committee agreed on the figure of $17 million recommended by the House in the first instance. The conference committee also adopted the Senate amendment providing for a U.S. Commissioner for the fair to be appointed by the President at a salary of $19,500 per annum.

The purposes of having such a Commissioner, to safeguard the Federal Government's investment, is clearly evident to all.

The bill includes $20 million for operating diffential subsidies as in the House-Senate versions. That is in the maritime field. These subsidies were due in fiscal 1962, and they are still due; so the amount remains in the bill.

The Senate had included under the appropriation heading "Corps of Engineers," $3.9 million, an increase of $2 million over the House bill, for needed emergency restoration of navigational facilities damaged by the storms which battered the Atlantic coast from North Carolina to New York in the period from March 6 through March 10, 1962. The Corps of Engineers had borrowed funds from its regular maintenance accounts to proceed with this work, and the sums included in this bill will enable the Corps of Engineers to repay these accounts.

The conference committee approved the $25 million which had been included in the bill by the Senate and the House for disaster relief.

Incidentally, we were advised by the Office of Emergency Planning that some $16 million of that amount was already allocated to the storm-hit States along the Atlantic.

The conference committee likewise approved the $15,707,000 for payments to school districts. However, it deleted the sum of $7,092,000 for school construction, since this amount can be included in the regular 1963 appropriation for the Department of Health, Education, and Welfare.

The Senate will recall that only a few days ago, in considering the regular appropriation bill for the Department of Health, Education, and Welfare, both of these items affecting impacted area schools were placed in that bill. The operational item was past due because it had to do with past entitlements. That is included in this bill; whereas the facilities item will appear, as we understand, in the annual appropriation bill soon to be enacted.

For the National Aeronautics and Space Administration for research and development, the conference committee approved the sum of $82,500,000. These funds are to remain available until expended.

The conference committee also approved the $71 million previously inserted in the bill by the Senate for the construction of facilities for the Space Administration.

For the Small Business Administration, the Senate had earlier recommended an appropriation of $90 million, an increase of $5 million over the House figure. After considerable discussion, the conference committee agreed upon a figure of $40 million. The Senate conferees were of the opinion that in view of the backlog of applications in the Small Business Administration, the sum should be larger. However, this was about the best that we could do under the circumstances.

Under the legislative establishment, the conference committee agreed on language providing for an increase in the basic clerk hire for each Senator of $3,000. On the date that this bill is signed into law, this basic $3,000 increase will be available to all Senators.

This item called for some change in the original bill, which would have called for payment in fiscal 1962; but the committee has adequately provided for the future by this needed change.

The conference committee also included the necessary funds to make payments to the widows of Senators Bridges, Schoeppel, and Case.

The bill in its final form includes $2½ million for salaries and expenses, Department of State, and $25,616,000 for the U.S. share of the assessment for the estimated expense of the U.N. operation in the Congo through June 30, 1962, as in the House and Senate versions of the bill.

There are many appropriation items in this bill to which I have not referred. I have complete details with me, and it is my intention to ask unanimous consent to include in the RECORD a table which will show the House and Senate versions of the second supplemental appropriation bill and the final amounts agreed upon, taking into consideration the concurrent resolution. Should any of the Members of the Senate have any desire for additional information, I shall be glad to explain any of the items.

Mr. PROXMIRE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Was the provision for funds to construct a Federal building at the New York World's Fair included in the supplemental bill? How was that item handled?

Mr. HOLLAND. It was included. The Senator will remember that the House provided $17 million. The Senate reduced that amount to $15 million, but added a provision requested by the administration to allow the appointment

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate resume the consideration of House bill 6374.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 6374) to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

THE FARM BILL

Mr. AIKEN. Mr. President, let me say that I am very glad that the Senate saw fit to refer the agricultural bill, received from the House of Representatives, to the Committee on Agriculture and Forestry, for its consideration, with instructions to report it to the Senate by next Monday. To have bypassed the Senate committee would have been, I feel, rather disastrous to our legislative processes and also to our emotions.

The agricultural program, existing and proposed, seems to have become an emotional and political issue rather than an economic one. As a matter of fact, the farm situation in this country has changed materially since the Senate considered the administration's proposed farm program last spring. It seems pertinent to me to put into the RECORD some facts concerning the operation of the farm program under the present administration and the changing situation as it relates to certain commodities.

I mention first the commodity, cotton. In 1958, the cotton program was dragging. We had to cut acreage allotments back, and it seemed essential that we enact legislation. We did so. We enacted legislation in 1958 relating to the cotton program in this country.

The situation began to improve almost immediately. In 1960 our exports were 6½ million bales. In 1961 our exports lacked only 17,000 bales of being 7 million. With this increase in exports and in domestic use of cotton, it was found possible to increase acreage allotments to our farmers.

In 1960 the acreage allotments were increased to 17½ million acres. In 1961 they were increased still further by Secretary Benson to 18,456,000 acres.

In 1962 Secretary Freeman cut the acreage allotments back about 345,000 acres, but the resulting national allotment of 18,101,000 acres was far above the minimum allowed by law. Thus the cotton industry became generally healthy, both domestically and in relation to our exports, during the first 2 years' operation under the 1958 legislation.

In 1961, however, Secretary Freeman increased the support price 2½ cents a pound. This was not requested by the farmers, so far as I know. At least, I heard from none of them requesting an increase in the support price.

After increasing the support price for cotton two and a half cents a pound, it was necessary to increase the export subsidy accordingly. So the Secretary fixed an export subsidy of 8½ cents a pound, or about $42.50 for a 500-pound bale. This increase in the export subsidy, making it possible to sell to foreign users at far less than cotton was sold to domestic users, naturally upset the domestic cotton manufacturers. It did not work so far as increasing our foreign trade was concerned, because exports this year have fallen off approximately 2 million bales from last year, when the lower subsidy for exports was in effect.

The effect on the taxpayer has been that in 1961, with the export subsidy at 6 cents a pound, the total subsidy amounted to something like $210 million. That was at approximately $30 a bale. In 1962, with export subsidies at 8½ cents a pound, by the same figuring, the total export subsidy or cost to the taxpayer came to $210 million on 2 million fewer bales exported.

So the result of the cotton program which the administration has undertaken to establish in the past 2 years has been a loss of markets to U.S. farmers, and U.S. textile manufacturers have been placed at a still greater disadvantage in competition with foreign manufacturers.

Let us look for a moment at what the New Frontier has done to the wheat program during the past 2 years. In 1961 the support price for wheat was $1.79 a bushel, or 75 percent of parity. This was announced on May 19, 1961, by the present administration. The final announcement, as it was called, was made on July 6 in the same year. In making the final announcement the Department said:

> Legislation requires that the final wheat support rate be determined on the basis of the wheat parity price as of the beginning of the marketing year and of wheat supply relationship of the same date.

The supply relationship estimated for the 1961–62 year at that time was 196.2 percent. In other words, there was almost a year's supply of wheat available in excess of our needs for domestic use and export.

But on August 9 of the same year, 1961, the Secretary announced that wheat supports would be $2 a bushel, or 84.5 percent of parity for the 1962 crop. But the supply percentage was practically the same as the year before, 192.2 percent.

On June 26, 1962, the Secretary announced that wheat support prices would have to be set at 75 percent of parity again, because of the supply percentage, which had been reduced to 166.5 percent. He said this was necessary because action had to be taken on pre-1961 legislation. But the 1961 act made no change in the calculation of the wheat support price level. Congress provided, in section 123 of the 1961 act, that—

> Price support for the 1962 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended. * * *

Section 101 is the same section that the Secretary referred to as pre-1961 legislation, which he again says requires wheat price supports to be placed at the minimum of 75 percent of parity.

So what is the net effect of the handling, or mishandling, of the wheat program?

A year ago the supply percentage for wheat was 192.2 percent, or almost a year's supply in excess of our requirements. Today, the supply percentage is 166.5 percent; and if the disappearance holds up, the supply percentage will drop much lower between now and next spring.

My question is, "How much wheat do we need to carry over in the interest of national security, maintaining good relations and farm prosperity?"

The next item I would like to consider is soybeans. On June 15, 1961, a year ago, the average price received by farmers for soybeans was $2.60 a bushel. The support price at that time was $1.85 a bushel, so the support price hardly came into play at all.

Last year, 1961, the Secretary announced the support price for the 1961 crop year as $2.30 a bushel. The farm price for the 1961 crop of soybeans is now $2.34 a bushel, with the support at $2.30, whereas a year ago it was $2.60 a bushel with the support at $1.85.

Production has also gone up. This year it is estimated that there will be almost 29 million acres of soybeans planted, an increase of 2.4 percent from 1961. But the big increase came last year under higher supports when 693 million bushels were produced, an increase of 25 percent over 1960.

What were the results? On June 31, 1961, the Commodity Credit Corporation inventory of soybeans was 1,077,000 bushels, acquired at a cost of $1.85 a bushel. On July 13, 1962, the Commodity Credit Corporation inventory of soybeans amounted to 44.7 million bushels, acquired at a cost of $2.30 a bushel.

That is not all there is to the story. Not only was there an encouragement of production of a large surplus of soybeans, but also there now is a very large surplus of soybean oil, an embarrassing surplus which is being sold at very low prices. Some attempt has been made, according to the news reports, to convert much of this surplus into salad oil for contribution to foreign countries. If we are to believe some of the reports which have appeared lately, there is man-sized trouble brewing in that field, with salad oil being lost through contamination and spoilage, because it isn't being used.

But that is not the whole story. With the price of soybean oil dropping so low, it was natural that the processors wanted to recover the full price for the beans, so soy meal prices have been raised in the last week to $70 per ton f.o.b., Decatur, Ill., which brings the soy meal to well over $100 a ton in the cattle feeding area of the Great Plains and the Rocky Mountains. The administration has succeeded, while it was dropping the price of soybeans to the producers, in increasing the price of soy meal to the livestock feeders of this country. The

price of soy meal now, f.o.b., Decatur, Ill., is 40 percent higher than it was 2 years ago.

Cattle on feed this month is 4 percent more than the number on feed last year but this increase is largely in the Mountain States of the West. The States which are most affected by the increase in the price of soy meal, which provides the protein for fattening livestock, are the following:

New Mexico, with an increase of 142 percent.

Arizona, with an increase of 135 percent.

California, with an increase of 123 percent.

Oregon, with an increase of 114 percent.

Idaho, with an increase of 109 percent.

Colorado, with an increase of 108 percent.

Texas, with an increase of 112 percent.

The situation is that the livestock feeders of this country are being called upon to pay a greatly increased price for protein feed to make up for the folly of the administration in raising the support price for soybeans from $1.85 to $2.30 a bushel at a time when it was not needed and not requested by the farmers themselves.

MILK

The next item I should like to consider is milk, the most widely produced farm commodity, being produced in every State of the Union.

When the present administration took over in January 1961, and for 2 or 3 months thereafter, the production of milk had been in balance with consumption for at least a year. The price paid to the farmer was fair but not exorbitant. It probably was not enough. The price of milk at retail to consumers was reasonable. The Commodity Credit Corporation did not own a pound of butter or a pound of cheese. The Commodity Credit Corporation was not buying any cheese or butter, and it was not likely it would have had to do so if the program then in effect had been continued.

However, as soon as he took office the Secretary began to talk about imposing quotas on the dairy people of this country and requiring them to cut down their production. When he started this talk, every substantial dairyman in the country started to increase his production so that when the cut came he would not be put back to a disastrous level.

To further encourage this overproduction, on March 10, 1961, the Secretary raised the support price for milk from $3.22 to $3.40 a hundred pounds. Almost immediately thereafter the Commodity Credit Corporation had to start buying cheese and butter.

The per capita consumption of milk started falling off. Consumption fell for various reasons. There was great propaganda. The pacifists felt that by attacking milk they could force the United States to become a pacifist country. Some people felt they would get fat if they drank milk. Some people were told they would die if they drank milk. The faddists worked overtime. So the per capita consumption of milk fell off last year.

The administration did nothing to counteract this false propaganda about milk until February of 1962, when President Kennedy advised the country to drink more milk. I understand that the President drinks milk every day, and I presume he does so on the advice of his physician—or it may be merely because he likes milk. At any rate, the situation has changed, and I wish to give the President full credit for undertaking to counteract the vicious propaganda which was carried on against the dairymen for almost a year.

The price of milk to the consumer last year went up about six-tenths of a cent a quart. In June this year the farm price was about 17 cents per hundred pounds less than it was the year before.

The Government has not stopped buying cheese and has not stopped buying butter, but is buying much less than it did before. Whereas on the 1st of April 1961, the Government owned no cheese and no butter, by April 1, 1962, the Commodity Credit Corporation owned 271 million pounds of butter and 67 million pounds of cheese. It was natural that the Government should continue to buy during the surplus producing season of April, May and June; so, on July 18, 1962, the date of the latest report we have, the Government owned 361 million pounds of butter and 101 million pounds of cheese.

I believe the situation is going to improve. The Senate committee killed the Secretary's quota plan for dairy farmers, and production began to fall off. The House refused to continue high supports for manufacturing milk. Accordingly, the Secretary reduced support prices. Farm prices have dropped temporarily. As I said, the farm price is 17 cents a hundred pounds less for the country as a whole during June than it was a year ago.

But Government purchases have also started to fall off. Production of milk has started down. During June it showed virtually no increase over a year ago.

The per capita consumption of fluid milk has gone up rather markedly. It has increased from 1½ to 4 percent each month ever since last winter.

Farm prices are slowly recovering, and Government purchases are declining. In July 1962 the butter production of this country dropped 5 percent. It dropped 5 percent in the past 2 weeks.

Cheese production is down. Government purchases of cheese are now 6 percent less than they were a year ago. As I have said, the consumption of milk has risen from 1½ to 4 percent a month and is still rising. If the administration will drop its almost fanatical grab for controls, the milk business will get much better.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PROXMIRE. Is the drop in butter production in July compared with July 1961 or June of this year?

Mr. AIKEN. The drop has been 5 percent in the last 2 weeks.

Mr. PROXMIRE. My question is whether it is a seasonal drop or is a drop compared with the production in the same month of last year?

Mr. AIKEN. I have the July 20 report of the National Milk Producers Federation. In the week ending July 12 the production of butter was 29,400,000 pounds as compared with 30,700,000 pounds last year, a drop of about 1,300,000 pounds.

The production of cheese was 24,600,000 pounds as compared with 26,200,000 pounds, or a drop of about 1,600,000 pounds.

We are producing less milk. That is particularly true in the northeastern part of the United States, and I think it is also true in the North Central States, which is the other great producing area.

Mr. PROXMIRE. Does the Senator from Vermont have any information with respect to whether part of that decrease may be the result of drought conditions?

Mr. AIKEN. Absolutely. There has been a severe drought. The increase in production last year was due to the fact that there were good pastures from the Atlantic to the Pacific. I am not saying that the Secretary is to blame for all of what happened, and neither do I say that his increasing the support price last year was to blame for all of that. It was contributory in the areas where there was production for manufacturing only. But in the fluid milk areas, and particularly in the northeastern part of the United States, it was the threat of quotas that prompted dairymen to increase their production.

Mr. PROXMIRE. As I recall, the increase in Wisconsin, where we produce so much milk, was about 1 percent, or less than the national average, whereas the increase in New York was 4 percent.

Mr. AIKEN. The Senator is correct. New York was an offender. My State of Vermont was an offender last year. We increased production more than was contemplated. But in our area the principal factor, I am sure, was the threat of quotas being imposed. I do not think that that situation was true in the northern part of the State of Wisconsin. It might have been true in the southern part. I realize that the Senator from Wisconsin has two areas with which to deal. First, there is the manufacturing area and, second, the Chicago-Milwaukee-Madison market.

Mr. PROXMIRE. As the Senator knows, in both areas, including the fluid milk area in the southern part of the State, the price is relatively the lowest price in the country.

Mr. AIKEN. The industry is recovering in part of the country, particularly in the northeastern part of the country. Normally, the price for class I milk would have increased 44 cents per hundred pounds from June to July. Because of unusual conditions, this year the lower production and higher per capita sales will result in July in an increase of 22 cents a hundred, in addition to the normal seasonal change, which will provide a bonus. I believe the prices will be about where they were last year.

On the 1st of July the blend price of milk was only about 7 cents less than

last year, which indicates that we are now down.

Another point which I believe is very interesting is that the milk going to market this year contains a slightly lower percentage of butterfat, which indicates that the farmers are undertaking to produce milk of slightly lower butterfat content than they have been producing up to this time.

Mr. PROXMIRE. Of course, in much of our area, unfortunately, the price is down the full 29 cents. Since the price was already low, the proportionate drop was drastic, the present situation is particularly damaging to Wisconsin farmers.

Mr. AIKEN. The average for the country during June was 17 cents below last year. I doubt that the average for the year will be less than that, because I think in the fluid milk area in which the market for fluid milk exists we will see prices coming up to where they were last year. They probably should remain up there for the rest of this year.

But in the manufacturing areas we have a different proposition. I think we must devise some different marketing system for milk before we recover.

The Senator from Wisconsin knows that a live hog is worth around 18 cents a pound. He also knows that the lard from that hog will sell for about 9 cents a pound. But in order to produce enough pork chops and ham, the farmer must produce an excess of lard. We are not as badly off as we used to be when farmers raised fat hogs. But we still produce an excess of lard, and the loss on the lard must be made up by a charge on pork chops.

In order to produce enough milk to supply the country what it needs to drink, we must produce a surplus of powdered skim milk. During the last year we produced a surplus of butter, too. I do not think we can continually expect the consumers of our country to pay 70 cents a pound for butter at retail. We cannot expect them to pay the full statistical price for powdered skim milk. It may be that we will have to add a half a cent a quart to the price of fluid milk and let butter find a more reasonable price on the market. That would compound the problem for the Senator from Wisconsin, I expect.

Mr. PROXMIRE. It would.

Mr. AIKEN. I do not know an easy way out of that problem.

Mr. PROXMIRE. I am sure the Senator from Vermont, who is a true expert in the field of agriculture, understands our great difficulty is that, with a nationally high fluid-milk price and a relatively high national blend price, there is an incentive for the farmers who are fortunate enough to be located near a big fluid market to continue to produce quite heavily, and even though we feel that our Wisconsin farmers are extraordinarily efficient and able to get along with the low price, the competition is devastating for Wisconsin farmers. I feel it is an unfair kind of competition. Our farmers are able to produce low-cost products and do a fine job. But they are unfairly disadvantaged because the blend price is so much higher now. The differential is worse now than it was a year or 2 years ago.

Mr. AIKEN. The dairy farmers of Wisconsin who produce for the fluid milk market might be able to make a recovery and get along very well. But as that happens, the problem for the farmers producing for the manufacturing plants alone is likely to be compounded.

Mr. PROXMIRE. There is a surplus in the Federal orders that causes the problem.

Mr. AIKEN. Yes. But that surplus is dropping. That is one of the encouraging signs. It is something that has happened since we considered the farm legislation last winter. Now nature is helping. Last year we had perhaps the best season for growing hay and pasture that we have ever known. This year we have one of the worst all through the eastern part of the country, including New Jersey, Pennsylvania, New York and New England. That situation is materially affecting conditions. Even though the price rise is higher from now until the end of the year in the New England-New York-Pennsylvania area, I doubt whether the income to the dairyman will be as much because of the decreased production.

Mr. PROXMIRE. What that emphasizes is the fact that over the years the cost of the dairy support program has been really very modest as compared with the cost of the cotton program or the wheat program.

Mr. AIKEN. Yes.

Mr. PROXMIRE. In fact, our statistics would show that if cost is related to the value of the marketings, the cost of dairy products is about half the cost of wheat during the 1953–61 period, and in the 1959–61 period it was half the cost of wheat and far less than half the cost of cotton.

Mr. AIKEN. The Senator is correct. Furthermore, dairy products are by far the most important of all agricultural products produced in the United States—just under $5 billion worth. Dairying gives employment to more people on and off the farm than any other commodity or any two other commodities combined.

Mr. PROXMIRE. Yet in the Senate bill as it was passed, no provision was made for the very difficult situation that confronts dairy farmers, except a provision which would aggravate that problem, because it would increase the cost of feed and limit the amount of feed Wisconsin farmers could grow on their farms.

Mr. AIKEN. Yes; and the problem is compounded by the fact that a dairyman must have a large capital investment today in comparison with what he had to have 20 or 25 years ago. Also, a dairyman is required to meet public health requirements which did not enter into the picture 20 or 25 years ago. A change has been forced in the dairy situation. I see in the Chamber the Senator from Connecticut. I happen to know that some of his dairymen have complained that they are being taxed out of dairying because of the great industrial expansion in the State of Connecticut. Their land has become so valuable that they cannot afford to keep cows on it. It is as simple as that.

That has been good for us in Vermont, because the source of supply has been moving steadily northward. Not so long ago Rhode Island produced all the milk it needed, and Connecticut produced all the milk it needed. The situation is changing. Industrialization has taken over. Area competition for dairy products and other farm products has changed also.

Mr. PROXMIRE. Will the Senator yield for me to put in the RECORD at this point a chart bearing on cost of various commodity programs and support prices? I can do so later if the Senator prefers me to do it that way.

Mr. AIKEN. If the Senator will put the chart in at the end of my remarks, I would appreciate it. I have almost completed my statement.

The cost of dairy rations is approximately $20 less in the Senator's area than it is in the Northeast. So Wisconsin gets an advantage there.

I believe it has been said by department officials that the cost of the dairy program last year was $400 million or so. These figures, as the Senator knows, were padded. They included $100 million for the school milk program, and $35 million for milk for the armed services; as well as the cost of dairy products which have been contributed to foreign relief and to the foreign aid program. So the price support program did not cost the taxpayers $400 million.

On the whole, it seems to me we have had about enough experience with the type of recommended program which the administration is trying to persuade us to accept.

I have one further item, and that deals with feed grain. I will not say much about it, because Senators, from feed-grain-producing States, can explain the effect of this program better than I can.

So far as corn is concerned, the support for corn for the 1960 crop was $1.06 a bushel. The takeover and reseal of the 1960 crop amounted to 521.9 million bushels. The Secretary, in 1961, raised the support price for corn to $1.20 cents a bushel. The takeover from the 1961 crop is now estimated at 592 million bushels, or 70 million bushels more than the Government had to buy the year before when the support price was only $1.06.

The Commodity Credit Corporation investment in the 1960 crop was $552.2 million. The Commodity Credit Corporation investment in the 1961 crop will be $710.4 million, or roughly $150 million more than it was under the earlier program which the administration undertook to discard. By this fall it would would appear that in the United States we shall probably have approximately a 3-month supply of feed grains carried over to the next marketing year.

In my opinion, a carryover equal to 3 months' supply of feed grain is no more excessive than it is to have a 6 months' supply of wheat carried over to the next year.

There is one thing more about the corn program that I should like to say. Senators can follow this if they can, or explain it if they can. In March of 1960 farmers' intention to plant was 85.7 mil-

lion acres of corn, according to the Department of Agriculture. They actually planted 81.7 million acres, or a reduction of 1 million acres from the year before.

In March 1961 the farmers' intention to plant came to 82.4 million acres of corn, a 3.3-million reduction from the year before, as reported by the Department of Agriculture. A few days later the special 1961 feed-grain program was approved by the President. Under that law, farmers planted 67 million acres of corn for all purposes, and were paid for not planting 19.1 million acres. This accounts for 86.1 million acres of corn production, either actual or potential.

Under the 1962 feed-grain program—and I find these figures very interesting—the Department reports 65.9 million acres planted, and it is paying for 22.9 million acres not planted, to corn. So the tab has gone up, because this year we are accounting for 88.8 million acres of corn, as compared with 86.1 million acres of corn last year.

It seems to me that is about the most ridiculous statistic that I have read for a long time. While trying to reduce the planting of corn, we are actually supporting the price and paying for not planting on 2,700,000 acres more of corn than was the case in 1961.

Mr. President, I thought it important to put these figures in the RECORD before the Senate proceeds to consider the farm legislation next week.

While we are complaining about our farm programs in the United States, it was very interesting to read an Associated Press report from Moscow under date of Sunday, July 1, 1962, in which Mr. Khrushchev recommends that the farmers of Russia copy the farmers of the United States. He said that farmers in America have learned, because of stiff competition, to keep track of costs and profits and use good management practices.

I conclude by saying that whatever we do, I hope we do not swap programs with Mr. Khrushchev. I am perfectly willing to let them learn our methods and adopt our methods, but for Heaven's sake let us keep what we have here.

It is not the price of fertilizer, or things like that, which has made American farmers the best in the world. It is the fact that they have been kept free to expand and to run their own business. So long as American agriculture is kept free and is run by the farmers of the country, it will be the envy of the whole world.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

The Senate resumed the consideration of the bill (H.R. 6374), to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

Mr. SMATHERS. Mr. President, on behalf of the author of the bill, the distinguished junior Senator from Texas [Mr. YARBOROUGH], I should like to make an explanation of its purposes.

Section 19(b) of the Government Employees Training Act provided that any appropriation available to any department for expenses of travel should be available for expenses of attendance at meetings concerned with functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

Section 4 excludes Foreign Service employees, Tennessee Valley Authority employees, and Presidential appointees from the Government Employees Training Act. After the Government Employees Training Act was passed, the customary appropriation language providing travel authority for these three groups of employees to attend such meetings was deleted from existing laws. Therefore, at the present time, there is no clear legal basis for these groups of employees to attend such meetings at Government expense.

The bill, as approved in the House, continues the present exclusion of the Tennessee Valley Authority from all parts of the Training Act since it does not need and does not desire the authority embodied in subsections (a), (b) and (c) of section 19 which under the bill are made applicable to Foreign Service employees and Presidential appointees.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 6374) was ordered to a third reading, was read the third time, and passed.

AMENDMENT TO HATCH POLITICAL ACTIVITIES ACT

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1247, Senate bill 919.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 919) to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill.

Mr. CANNON. Mr. President, section 9 of the Hatch Political Activities Act of August 2, 1939, as amended, prohibits, with certain exceptions, any officer or employee in the executive department of the Federal Government from active participation in election activities.

Any person who violates the provisions of section 9 is subject to immediate removal from office except that the U.S. Civil Service Commission, by unanimous vote, may impose a lesser penalty.

However, in no case may the penalty be less than 90 days' suspension without pay.

The minimum penalty has caused considerable hardship and injustice in many cases involving unintentional or minor infractions of the act.

The Civil Service Commission has supplied the Senate with lists of such minor cases wherein employees were suspended for 90 days without pay.

The cases appear in Report No. 1278 of the Committee on Rules and Administration to accompany the bill, S. 919.

The bill would amend the Hatch Act by striking out in section 9(b) of the act the proviso that in no case shall the penalty be less than 90 days' suspension without pay.

Enactment of the bill would permit the Civil Service Commission, in cases involving minor technicalities and violations of the act and Civil Service Rule IV, to impose a penalty far less drastic than the existing minimum penalty.

The bill has the approval of the Civil Service Commission and the Department of Justice. The bill was also unanimously approved by the Subcommittee on Privileges and Elections and reported to the Senate with the unanimous approval of the Committee on Rules and Administration.

It does not affect the major principles and objectives of the Hatch Act and will not, if enacted, relieve any officers or employees from the prohibitions of the act, but it will prevent an unnecessary and excessive hardship caused by a heavy penalty for inadvertent and minor infractions.

I urge the favorable consideration of S. 919 by this body and its passage so that it may be enacted this year.

Mr. CLARK. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. I commend the distinguished Senator from Nevada for reporting the bill from his committee to the Senate. I am happy to have been the principal sponsor of the bill. It was introduced as a result of having had called to my attention by a number of Government employees and also by the Civil Service Commission a great many real injustices and inequities involving far too severe penalties having been imposed for very minor violations of the Hatch Act.

I should like to make it clear that I am a strong supporter of the principal provisions of the Hatch Act. I think Government employees, by and large, particularly those in the civil service, should stay out of partisan politics. But in many instances minor violations have been punished in the past within penalties all out of proportion to the seriousness of the offense. Therefore, I am happy to support the Senator from Nevada in reporting the bill to the Senate. I again congratulate the Senator from Nevada for the action he has taken.

Mr. CANNON. I thank the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 919) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(b) of the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended (5 U.S.C. 118i(b)), is amended by striking out *"Provided further,* That in no case shall the penalty be less than ninety days' suspension without pay:".

LABOR, BUSINESS VIEWS ON TAX REDUCTION

Mrs. NEUBERGER. Mr. President, proposals for immediate tax reductions have been advanced by our Nation's leading business and labor organizations—the Chamber of Commerce of the United States and the American Federation of Labor and Congress of Industrial Organizations.

Although expressing somewhat divergent viewpoints, spokesmen for the two groups are agreed on the need for a tax cut as a stimulus to a lagging economy. They raise the question: Is it better to forgo some Federal revenue temporarily and have a moderate increase in Treasury deficits than it is to face prospects of massive Government expenditures which might be necessary later to lift our economy out of deep recession?

I am neither an economist nor a tax expert, but if the need for tax reduction is as urgent as indicated by both the AFL–CIO and chamber of commerce, the question should be decided one way or the other before the adjournment of this session of Congress. Indecision on this issue can only have further unsettling and disturbing effect on business.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the statement of Ladd Plumley, president, Chamber of Commerce of the United States, at a news conference in his office in the chamber building on June 29, and a press release from the AFL–CIO based on remarks of Stanley H. Ruttenberg, chief economist of the AFL–CIO, delivered July 17 at the convention of the National Federation of Business and Professional Women's Clubs.

There being no objection, the statement and press release were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT BY MR. LADD PLUMLEY

The committee on taxation recommends that the national chamber of commerce announce its support for an immediate reduction in corporate and individual income tax rates. Specifically, the committee recommends:

(a) That the top bracket rate for individuals be reduced from 91 percent to 65 percent.

(b) That the lowest individual bracket be split and a 15-percent rate imposed on the lower portion.

(c) That individual rates between the 65-percent maximum and the 15-percent minimum be adjusted proportionately.

(d) That the combined corporate tax rate be reduced from the present 52-percent rate to 47 percent.

The committee is not unmindful of the immediate impact of rate reduction on the imbalance in the budget; but the committee is convinced that the best hope and prospect for future balanced budgets and fiscal sanity lies in removing immediately these tax rate deterrents to economic growth.

Additionally, the committee recommends that the chamber prepare and sponsor a longer range tax reform program designed to remove all tax barriers to economic growth. Such a program should put its principal emphasis on tax rate and depreciation rate revision with specific attention also being given to other areas in which revision is both desirable and feasible.

As part of this program new potential tax sources should be thoroughly considered, with the utmost care being exercised to make certain (1) that these new sources would not be deterrents to industrial expansion or the development of the Nation's resources; (2) that their availability and utilization would not furnish any basis for the continuation of excessive Government expenditures; and (3) the chamber has previously submitted recommendations of cuts of over $5 billion that could be made in the fiscal 1963 budget without harm to any essential program or service. This tax revision reemphasizes the need for prudence and thrift in Government.

* * * * *

In developing these recommendations the taxation committee is well aware that the job of tax reform is not going to be accomplished in one all-encompassing, perfectly written tax law. Rather this complex job must be worked at in manageable and politically possible portions over the years.

Right now certain important proposals for tax reform are very much in the news and another more fundamental set of proposals is being prepared by the administration. Other proposals are also receiving more than usual attention.

Half a dozen general guidelines could be set up:

1. One requirement is that the system produce the necessary revenue.

2. Equity is unquestionably another prime requirement. No tax system can succeed if it is irrationally discriminatory or offends the taxpayers' belief that they are being treated reasonably fairly and equitably.

3. A third basic objective is, all other things being equal, simplicity. Simplicity in the tax system is greatly to be desired. With tax rates as high as they are, some complexities are inevitable in the interests of equity. But the high rates have caused so many complexities and special provisions so many inequities that the administration of our tax laws is becoming too burdensome.

4. Consistency over time is a fourth general objective of importance. Here I have in mind particularly the problems in business decisionmaking which may be posed whenever there exists a situation in which the tax rules-of-the-game are susceptible to change from year to year. Both business and individuals need reasonably stable guideposts to steer by.

5. Fifth, a good tax system should be generally as neutral as possible in its effects on economic decisionmaking. This is crucial in an economy such as ours which is governed primarily according to the individual decisions of millions of separate consumers and producers, operating in a competitive market. The tax system should be so devised as to allow maximum play of the market in allocating resources. When business and economic decisions are based on narrow tax caculations, the effective functioning of the market system is impaired.

6. An additional objective of tax policy is that it ought to support the general fiscal requirements of the Government. By this I do not mean to suggest that the tax structure should be constantly revised or juggled to accomplish specific short-term aims; this would do obvious violence to several other objectives I have already mentioned. But it is important that the tax system generally promote long-range, continuing goals such as economic growth—or at least deter growth as little as possible.

* * * * *

The issue is how to unleash business investment so as to modernize generally the industrial plant of America.

* * * * *

Rate reduction is really the fundamental problem. I believe there is nearly universal agreement on this point; differences arise only on questions of timing and especially on whether the high rates should be attacked separately or in combination with other revisions designed to broaden the tax base.

The high and continuing necessary Federal spending commitments, many of them dictated by the international politics of our age, make a continuing flow of Federal revenue absolutely indispensable. To argue that we should lighten the taxload on anyone regardless of revenue effects would be irresponsible at the least.

The fact is, however, that the present steepness of personal income tax rates—up to 91 percent and reaching 50 percent as low as $16,000 of taxable income—has very little merit in a revenue-raising way. Such rates discourage far more economic activity than the revenue they raise could possibly justify. I believe that it has been convincingly argued, that properly directed, reduction of the steep progression in middle and upper brackets could bring about an increase in capital formation, thus enlarging the economy and providing a larger tax base so that any short-run revenue loss would be promtply made up.

Another implication of the problem of high tax rates is that every needless public expenditure should be eliminated. As of now approximately 20 percent of our gross national product is required to keep the Federal Government running. Since we must continue to meet every demand which the cold war imposes, all other types of expenditure must be scrutinized rigorously to meet the highest standards of the public interest.

* * * * *

With heavy national security expenditures facing us indefinitely in the period ahead, the total tax load will inevitably continue to be heavy. Whether this load will constitute a continuing drain on the vitality and growth of the economy, however, depends on what kind of tax system raises the needed revenue.

The challenge which this kind of a future poses calls for an important mutual understanding between the business community and the Government. Business must recognize the revenue demands which the cold war of necessity imposes on Government. Goverment must recognize that how the revenue is raised and how well its expenditures are controlled will have a significant impact on the very sources of economic growth and tax resources with which public policy must be vitally concerned.

* * * * *

Our recommendation, which has a solid backing among business economists, is based upon these premises, among others.

1. The cut must be prompt. A delay now not only courts the disaster of a recession in the United States but its spread to Canada, already under pressure and thence to Europe. The free world cannot look with complacency upon such a catastrophe.

2. The cut must be substantial. Halfway measures are futile. Further, all is not lost for with higher taxable income much is recouped. It is to be remembered that recessions cost money too. The 1957–58 re-

cession resulted in a deficit of $12.5 billion. If successful this could be, by far, the least costly way to combat this problem.

3. The cut as recommended will stimulate investment spending. This will improve our profit picture, make our products more competitive and accent once again the growth element in our economy.

4. Reduction of personal income taxes will increase take-home pay and hopefully reduce the pressure for wage increases.

5. Foreign bankers recognizing the energizing effects of this program will be less concerned about the stability of the dollar than they are at present.

NEWS FROM THE AFL-CIO

The chief economist of the AFL–CIO vigorously favors a tax cut "now—not next year" in the lowest personal income tax bracket but with equal fervor opposes tax relief for corporations and higher bracket incomes.

Stanley H. Ruttenberg, director of the AFL–CIO department of research, told a Los Angeles audience last night (Monday) that only a tax cut concentrated in the first individual income tax bracket will provide the increased consumer buying power that is an urgent need.

"Talk is no longer cheap in America," Ruttenberg said. "The failure to translate talk into positive action is a most expensive threat to America's health. Talk will not move America forward. Action will."

At the same time, Ruttenberg assailed proposals to cut corporation taxes and to reduce the rates on higher incomes. He particularly scorned the argument that the President should propose such cuts to prove he is not antibusiness.

"The Nation cannot afford a tax cut to appease some supposed slights to American business from a President whose record to date has been on that business should support, not oppose," Ruttenberg said.

"We cannot as a nation afford the luxury of talk without action, or action based on the silly talk of many businessmen that a President who is antibusiness must prove his mettle to a sullen business community by recommending the wrong kind of a tax cut, at the wrong time, for the benefit of the wrong group of taxpayers."

EXCERPTS OF REMARKS BY STANLEY H. RUTTENBERG BEFORE NATIONAL FEDERATION OF PROFESSIONAL AND BUSINESS WOMEN'S CLUBS, INC.

Right now the state of the American economy is one of the most overriding domestic issues. No longer are people talking about whether a tax cut is needed. They are now discussing what kind of tax cut is needed and when it should be applied.

Talk is no longer cheap in America. The failure to translate talk into positive action is a most expensive threat to America's health. Talk will not move America forward. Action will.

* * * * *

Industry has been operating 10 to 15 percent below capacity, retail sales have fallen off in June, installment credit expansion has slowed. The steel industry's operations have gone to half capacity—down from 80 percent in March.

For the past few months, therefore, there has been talk of tax cuts. Too often this talk has been misdirected away from economic to political considerations. Too often the question is raised, "Will the President give business the kind of tax cut it wants in order to prove he is not antibusiness?"

Action responsive to such talk is as bad as no action at all. No sensible person in this country, least of all its President, is antibusiness. If business needs reassurance on this question, it should reexamine American history and American thought—a history of diversity and variety of ideas, with no one set view as the only possible American way. In fact, it sometimes has been a series of actions falsely dubbed antibusiness which turned out to be the salvation of American capitalism.

America needs a tax cut now for economic reasons. * * * The Nation cannot afford a tax cut to appease some supposed slights to American business from a President whose record to date has been one that business should support, not oppose.

Why cannot we afford a tax cut designed to cut taxes for high and upper income individuals and corporations? The figures are very simple and very obvious. This is not the kind we need. American business corporations need no tax cuts to expand. They have spent almost $150 billion in plant and equipment over the past 5 years, almost all of which was available from depreciation allowances and retained earnings. They have failed to use the capacity they have. They will not expand very much from a tax cut. They will expand on the basis of potential markets as business always has.

* * * * *

We cannot afford an across-the-board individual income tax cut, such as has been proposed, either, for essentially the same reasons. It is not needed nor is it fair. What has been proposed is to reduce all individual income taxes from the current 20-to-91-percent range to a proposed 15-to-65-percent range. That is pretty fair, according to its proponents. But is it? What it means, in oversimplified hypothetical terms is that if taxes on a taxable income of $5,000 were reduced 5 percentage points or $250 and a taxable income of $500,000, 26 percentage points or a $130,000 reduction in taxes, the person with 100 times as much income could get more than 500 times the decrease in taxes. If that is consistent with progressive income taxes, based on ability to pay, the world in my judgment has turned completely upside down.

But even if it were considered fair by those who believe that upper income taxes should really be reduced it is not sensible from an economic point of view. The purpose of a tax cut is to spur the American economy—to push money into the spending stream. The low- and middle-income groups can be counted on to spend the money from a tax cut. Spending is an urgent need in a sluggish economy, where demand is not using the ability of the national capacity to produce.

This is not to suggest that tax cuts alone are enough. I am not suggesting that the Nation does not need to act in all the areas where America's needs have not been met. But I do mean to say quite positively that only a tax cut concentrated in the first individual income tax bracket will reach those Americans who will spend it. It is not only reasonable but necessary to have such a tax cut now—not next year. Any other kind will not meet the purpose for which it was designed.

We cannot as a nation afford the luxury of talk without action or action based on the silly talk of many businessmen that a President who is antibusiness must prove his mettle to a sullen business community by recommending the wrong kind of a tax cut, at the wrong time, for the benefit of the wrong group of taxpayers.

HOUSE FARM BILL SHOULD BE MODIFIED IN COMMITTEE

Mr. PROXMIRE. Mr. President, it was wise for the Senate to refer the House farm bill to the Senate Committee on Agriculture and Forestry, of which I am a member. I think it would have been most unfortunate if the bill had not been so referred but had to be considered by the Senate without reference to committee. The committee system in the Senate serves a most useful purpose. In this particular kind of case, in which a bill is highly complex, has come over from the House with language far, far different from the bill which left the Senate 3 long months ago, and has been drastically modified in many respects, it seems to me that it would have been most unfortunate if we who serve on the Committee on Agriculture and Forestry had not been afforded a chance to consider the new farm bill thoroughly and make our views known in the public interest.

The Senate acted wisely in referring the farm bill to the Committee on Agriculture and Forestry, because the bill can be improved in certain specific ways. I should like to give a few examples: First, by striking the last sentence in title II of the House bill, which provides that the school lunch program outside the United States shall not extend beyond June 30, 1964. The school lunch program outside the United States has been an excellent program. It makes sense in terms of our foreign policy and certainly in terms of our agricultural policy and in terms of our economic policy, since we produce more than enough food and hunger stalks the world. The program has been operated by the food-for-peace agency and has been a great success.

Second, we can improve the House bill by changing section 301(a) of title III, which provides that after 1963 the Secretary will have no discretion with respect to feed grains but must set price supports at 80 percent of the previous 3-year market average. Surely this provision can be improved by committee study and action. The present language is unsatisfactory because it fixes the price support required by law, and gives the Secretary no discretion. Also, it is an unreasonable law: 52 percent of parity, or about 84 cents a bushel, versus the present level of $1.20 of the price support dollar, market price.

FARM INCOME MUST BE INCREASED, NOT REDUCED

I have talked with a number of Senators about this matter and many of them, who have always voted for farm legislation, have told me that under no circumstances could they support any bill which provided this kind of deep, drastic cut in farm income. Of course, it would cut the income of those farmers who represent the backbone of agriculture, the farmers who produce feed grains. In doing so, it will also cut sharply and drastically the income received by farmers who produce beef, milk, and hogs. The consequences of the House bill, if it became effective, would be extremely serious.

In the third place, the Secretary should be authorized to specify conditions before offering any price support after 1963, since acreage adjustments will be diverse, such as for acreage adjustment or diversion. The House version of the bill does not authorize this.

Also, I feel strongly that extension of the feed grain plan can be strengthened by the amendments I propose. These amendments provide that if farmers do not comply with the feed grain plan and if they do not agree voluntarily to re-

tire some of their acreage, they shall be deprived of some of the subsidies they now receive.

In talking to farmers, I find that this is the kind of provision they can understand. Those amendments would greatly reduce the farm surplus, it would increase compliance, and it would reduce the size of the farm program.

I have heard a number of Senators say that they believe the conferees will knock out the section which provides for voluntary reduction of dairy production. They say such a provision is unenforcible in the absence of mandatory controls. I agree that a serious problem of administration is involved here. But it is difficult to handle this complex problem on the floor of the Senate. The logical place to handle it is in the committee, where we can obtain expert testimony and can proceed in an orderly way. We now have a week to act on the bill, and I believe we can improve it all along the line.

However, I wish to make clear that we should adopt the provision which the Senate Committee on Agriculture recommended when the bill was reported by it. That provision was rejected by the Senate, but was adopted by the House. I refer to the provision to renew for another year the emergency feed grain provisions which now are in the law. These have worked very, very well. It is a fact that the farmers find them practical. They have increased farm income and have reduced the cost of the farm program.

It is argued that this provision is too expensive. But the facts show that the cost of the farm program is estimated at $780 million for this year. However, that estimate is based on total payments in kind, out of the surplus, with feed valued at $1.20 a bushel—the bookkeeping value. In fact, much of the surplus has no genuine cash value, and would be given away if it were not used for payments.

Therefore, the real new cost of the program is far less—being the cost of taking into storage the 1960–61 crop, or about $550 million.

Of course, the saving on interest and storage costs is also significant.

The estimated saving over the Benson program, the 1958 program, is $500 million, according to the Department of Agriculture; and the emergency bill which I think we should reenact has increased farm income by about $450 million.

On June 15, I received the following letter from Francis A. Kutish, a distinguished economist at Iowa State College. In the letter he estimates the effect of the present emergency feed-grains program on the farmers and on costs.

His letter reads as follows:

IOWA STATE COLLEGE,
Ames, Iowa, June 15, 1962.

Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: The most recent Government figures on feed disappearance indicate that we will reduce feed grain stocks about 10 million tons this year. When compared with what we probably would have produced had the old Benson program been in effect, this represents an estimated 26-million-ton reduction from the estimated production in the absence of the 1961 program. That is the equivalent of 932 million bushels of corn. If you figure the eventual recovery value of corn at $0.992 a bushel, this results in a net savings to the Government of $241 million, if the eventual recovery value is $0.53 a bushel (what the USDA calculated), the eventual savings is $622 million. If you use no recovery value—

Incidentally, I think that might be the most realistic—

the eventual savings is $1,059 million.

This has been a successful program. It has reduced stocks; it has maintained farm income and it has not raised consumer prices. When measured on a basis of net costs, it will have reduced Government expenditures.

Sincerely yours,

FRANCIS A. KUTISH,
Extension Economist.

CURRENT FOOD GRAIN PROGRAM FAR MORE ECONOMICAL THAN MANDATORY WHEAT AND COTTON PROGRAMS

Madam President (Mrs. NEUBERGER in the chair), when I was discussing the farm program with the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the Senate Committee on Agriculture and Forestry, I pointed out that the dairy price-support program has been far less expensive than some of the other programs. I wish to emphasize that not only has the dairy price-support program been relatively low in cost, but the feed-grains program has been low in cost, too.

The big objection to the feed-grains program is that, as compared with the cotton program and the programs for other commodities, there has been no effective limitation on production. The distinguished chairman of the Committee on Agriculture and Forestry has called corn the "little, blue-eyed sweetheart of the Congress." But the fact is that in terms of cost, the program for feed grains has been far less costly, if we relate the cost, as I think should be done, to the value of the marketings. On that basis, the feed-grains program has been far less costly than the programs for cotton or wheat; and the feed-grains program has been about as economical as the program for dairy products.

I hold in my hand a chart which shows the losses on Government price-support operations for cotton, dairy products, feed grains, and wheat for the fiscal years 1953–1961. It shows that whereas during that period cotton has had losses of 8 percent on its marketings, dairy products have had losses of 6 percent; feed grains, 5 percent; and wheat, 12 percent; and for the period 1959 through 1961 cotton has had losses of 12 percent; wheat, 12 percent; feed grains, only 8 percent; and dairy products, 5 percent.

I think the chart is significant in several ways. First, it shows that the loss from the program for dairy products and the loss from the program for feed grains have been less than the losses on the other programs. Second, it shows that the total cost to the farm program has been a relatively small proportion of the value of the marketings—for feed grains, 8 percent. Furthermore, it has been pointed out that if we relate the cost of the feed grains price-support program to the value of the marketings for beef and hogs and the other end products of the feed grains, the cost has been only 2 percent of the total, ultimate value of marketings.

Madam President, in view of the fact that food is an excellent bargain in this country—that the cost of food, in terms of the number of hours of work necessary to buy food, is far less in the United States than in any country in the world, and a great deal less than in the countries of Europe, and far less than it has ever before been in this country—we can recognize that the so-called expensive farm program is really not very expensive, after all. The fact is the American consumer-taxpayer is getting a first-class bargain from the American farmer and we ought to say so.

Even if we add the full cost of the farm program to the cost of food, we are getting a terrific bargain.

It can truly be said the farmer is subsidizing the consumer. This is a fact. Our legisation should reflect it. Thirty years ago it took 12 minutes of work for an average factory worker to earn enough to buy a quart of milk. Today, it takes 6 minutes of work. And what is true of milk is also true of a loaf of bread and of all the other articles of food that consumers buy. So, although it is true that food costs have risen over the years—as have all other costs—yet they have gone up far less than have other costs; and in terms of real income, the cost of food has dropped.

Last year the cost of living went up but only slightly why? Because the cost of food went down. The farmer is the real hero of price stability in this country.

I ask unanimous consent that the chart to which I have referred, which shows how relatively low is the cost of the dairy products price-support program, and the feed grain price-support program, be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Losses on Government price support operations for cotton, dairy products, feed gains, and wheat; fiscal years 1953–61 [1] [2]

	Annual average losses or costs		Losses as percentage of value of marketings [3]	
	1953–61	1959–61	1953–61	1959–61
	Millions	*Millions*		
Cotton	$195	$315	8	12
Dairy products	285	252	6	5
Feed grains	296	439	5	8
Wheat	233	250	12	12

[1] Realized losses on CCC inventory transactions, including resealing and interest expenses (under accounting procedures adopted June 30, 1961) plus export subsidies and sec. 32 funds used for price support operations.

[2] These data from Legislative Reference Service were put in the CONGRESSIONAL RECORD Mar. 1, 1962 (p. 2958), in a speech by Senator Carlson.

[3] Value of crops produced, in case of feed grains.

TAX CUT DOES USE UP AMMUNITION AT WRONG TIME

Mr. PROXMIRE. Madam President, yesterday, an article by one of the clearest analysts of our troublesome economic problems, Miss Sylvia Porter, was published in the Washington Star. Miss Porter favors a tax cut. I do not. In the article she discussed the proposed tax cut and some of the arguments which have been made against making a tax cut at this time. However, her arguments and particularly her final contention in contradiction of what some of us have been saying in favor of making such a tax cut really do not add up.

She says this:

> The argument that a tax cut should be held off until we're in a recession invites the retort, "Why wait for the suffering? Why not try to prevent it?" There is no stimulant on the horizon to perk up the economy. Business spending is not going to rise because of the new depreciation schedules or the tax incentive in the present tax bill; consumer spending already is high and is unlikely to accelerate much without additional help. Between higher Government spending and a tax cut, financial conservatives overwhelmingly prefer the tax cut, and so do most liberals at this stage.

ECONOMIC FORECASTING UNRELIABLE

The difficulty with this argument is that it presupposes that we are able to predict the economic future, that the economists can look forward and say: "If we have a tax cut now, or early next year, 18 months or 2 years from now, when economists tell us the effects of this tax cut will be felt, there will be a deflationary situation or unemployment situation which should be corrected."

Unfortunately, economists cannot look into a crystal ball and predict the future. Before the Joint Economic Committee this year appeared the head of the Council of Economic Advisers, Walter Heller. I think he is recognized as one of the best economists in the country. He certainly has impressed me as being a very able and competent economist. Dr. Heller predicted at that time that we would have a gross national product of $570 billion for this whole year. This was only 5 months ago. It is perfectly obvious that Dr. Heller is going to be wrong. We shall not have anywhere near a $570 billion gross national product for the whole year.

This prediction was made by Dr. Heller on the basis of all the resources available to our Government. It was made by a competent economist. He looked into the crystal ball and made this prediction. He was wrong. But his prediction was supported by other competent and able economists in our Government, and they were wrong.

Five or six months ago every investment analyst I had a chance to talk to and every investment analyst who had written on the subject predicted that the stock market would go up during the coming year. They predicted it would continue to rise, perhaps at an irregular rate, but that there was very little likelihood that it would drop very much. It was difficult to find any economist, investment analyst, or stock market expert who thought the market would drop. They were wrong. The stock market went down.

We can wish that economics were an exact science and that we could consult a person who had an extensive education and training in economics and had had practice in working on economic predictions, and that we could ask such an expert what is going to happen in the future. The fact is that, while we might wish that were so, economists cannot make thta kind of prediction. Economics do not permit one to be able to make accurate predictions.

Therefore, if we follow the advice of making a tax cut, when the gross national product has during the fiscal year ending 3 weeks ago risen by $40 billion, when personal income is at a record high, when business is good except for certain economic forecasts, I see no reason why we should not keep on reducing taxes.

I argue that the only time a tax cut can be justified is when there is a surplus and taxes can be reduced without unbalancing the budget, or when the Nation is at war and therefore we have to spend as much as possible in order to defend our country, or when we are in a recession or depression which is so severe that there are many millions out of work, businesses are failing, and drastic action is needed the right the economy.

We do not have that kind of situation now.

If we are going to follow a policy of reducing taxes now, on the basis of very mixed economic predictions, then it is hard to see any situation in which a tax cut cannot be justified. What is more, the argument which has been made by those of us who oppose a tax cut that we would use up our one-shot ammunition, is a perfectly proper and valid argument. A tax cut should be made at a time when there is a serious economic crisis, because it is a one-shot affair. Once we have the kind of tax cut the Washington Post recommended, $11.5 billion, it is exceedingly difficult to see how we could possibly justify having such a tax cut, or a bigger one in the future. No matter what would happen, it would be extraordinarily hard to justify. Under those circumstances, we would be in a situation where, if we were in an economic crisis, and had serious unemployment, we would be unable to cope with the situation because we had already used up our ammunition.

PER JACOBSSON ON RECORD AGAINST A TAX CUT THIS YEAR

The second argument used by Sylvia Porter against the opposition to the tax cut is that the international bankers argue that a tax cut makes sense for the American Government; that under those circumstances we should increase interest and reduce our taxes and run a deficit and stimulate our economy by a tax cut. Mrs. Porter quotes from a report of the International Bank for Settlements at Basel, Switzerland. It has been alleged, and has not been denied, in Business Week, that this report by the International Bank for Settlements at Basel was a plant; that it was a suggestion by U.S. officials who were at Basel and who recommended that the international bankers recommend a tax cut in the United States.

What concerns me is that the outstanding international banker, the great Swedish economist who is head of the International Monetary Fund, and who certainly is a world-renowned economist, does not recommend a tax cut. He appeared on "Meat the Press" some 2 weeks ago, and in the course of his appearance he was asked whether he would recommend a tax cut now. He said no, he would not. He said he would recommend a tax cut next year, but it was clear from the language in which he phrased his recommendation that he would recommend a tax cut only if it were accomplished without a deficit.

There are many Members of the Senate, and also of the public, who would be in favor of a tax cut if it could be done without running a deficit; but the fact is that this year we have had a deficit of $6 billion. Even without a tax cut, we will have a deficit of over $4 billion next year; and with a tax cut of the kind recommended by the Washington Post this morning, we would probably have as heavily unbalanced a budget as we have had in our entire peacetime history.

TAX CUT COULD BE INFLATIONARY

The final argument that Miss Porter makes against the proposition is that a tax cut would result in an inflationary spiral. Of course, it would depend upon the nature and the time when the tax cut would be set. Professor Friedman, of the University of Chicago, and Professor Mayer, formerly of the University of Michigan, have argued that fiscal policy has its full consequential effect about 18 months after action is taken by the Government. So if we should have a tax cut acted upon by the Congress this year, and if that tax cut should take effect, as is recommended by the assistant majority leader, on January 1, the consequences of that tax cut would not be felt until 2 years from now, until the summer of 1964.

No economist looking into a crystal ball can tell whether in the summer of 1964 we will have an inflationary situation or a deflationary situation, or what kind of a situation we will have. Therefore, the argument of Miss Porter that such a tax cut would not result in another inflationary round overlooks the lag and the inability of economists to predict the future. So that under those circumstances it seems to me that none of the arguments advanced by Miss Porter stands up.

I ask unanimous consent that the article by Sylvia Porter be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX CUT PLEAS GET ARGUMENT

(By Sylvia Porter)

Opponents of a tax cut for individuals and corporations this fall offer three major arguments.

The tax cut, they argue first, would create a huge deficit in the 1963 Federal budget and immediately revive the threat of another in-

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

JULY 23, 1962

Referred to the Committee on Agriculture and Forestry and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: At the end of subtitle B of title III of the bill, add a new section as follows:

SEC. . Section 333 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with the 1964 crop of wheat by striking therefrom the following: "The national acreage allotment for wheat for any year shall be not less than fifty-five million acres."

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

JULY 23, 1962

Referred to the Committee on Agriculture and Forestry and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

JULY 20, 1962

Received and read the first time

JULY 23, 1962

Read the second time and referred to the Committee on Agriculture and Forestry, with instructions

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (in-

cluding crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Pro-*

vided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build

industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended by amending subsection (e) thereof to read as follows:

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such

works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constucted or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for

anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connec-

tion with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan

and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and

related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private

trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows:

"In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-

lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 Feed Grain Program

Sec. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "90" and inserting "80" and by striking out the colon and the proviso thereof and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided*, That no producer of malting barley shall be required to participate in such special agricultural

conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to desig-

nated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on

the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield

per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105 (c) (6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g) (1), barley shall not be included in the program for

a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains

and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each

old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production

of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual pro-

duction shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller

of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for

the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted

acreage, subject to the provisions of subsection (b) (4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959,

1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments

in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be

at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a) : *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a),

and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation pro-

gram or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c) (2)" and inserting the following: "after reduction as required by section 334(c) (2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special

wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Subtitle C—Dairy

Sec. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

Sec. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree

to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as

much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establish-

ing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a

factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price

there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without

regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306 (a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309 (f) (1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Passed the House of Representatives July 19, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
2D SESSION

H. R. 12391

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

JULY 20, 1962

Received and read the first time

JULY 23, 1962

Read the second time and referred to the Committee on Agriculture and Forestry, with instructions

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 26, 1962
For actions of July 25, 1962
87th-2d, No. 127

CONTENTS

Adjournment.....13
Agricultural appropriations.....16
Appropriations.....16,24
Assistant Secretary.....2
Budget.....14
CCC Board.....2
CCC inventories.....12
Committees.....20
Congressional Record....22
Consumers.....29
Contracting.....7,19
Electrification.....11,27
Farm program.....1,17
Feed grains.....1
Flood control.....6
Food for peace.....3,18
Foreign trade.....25
Forest research.....33
Government competition..15
Grazing lands.....30
Land-grant colleges.....26
Lands.....10,30
Libraries.....5
Lumber industry.....23
Marketing.....8
Nomination.....2
Personnel.....21
Political activity.....21
Public Law 480.....24
Publications.....5
Reclamation.....28,32
Research.....16,33
School lunch.....31
Stockpiling.....12
Transportation.....9
Youth Conservation Corps.....4

HIGHLIGHTS: Senate committee reported farm bill. Sen. Proxmire commended bill as reported. Senate committee reported Baker nomination. House passed USDA appropriation bill. Sen. Humphrey urged enactment of Youth Conservation Corps bill. Sen. Humphrey and several Representatives commended service of McGovern as food-for-peace director. Rep. Johnson inserted Secretary's statement on CED plan for agriculture. House agreed to conference report on Treasury-Post Office appropriation bill. Rep. Cooley urged adoption of his resolution to increase period in which hearings and

(Highlights continued on page 5)

SENATE

1. FARM PROGRAM. The Agriculture and Forestry Committee reported with amendment H. R. 12391, the new farm bill (S. Rept. 1787) (p. 13645). The "Daily Digest" states that the bill as reported provides as follows: "The bill would (1) contain provisions for land-use adjustments, (2) provide amendments to P. L. 480 (Agricultural Trade Development and Assistance Act), (3) extend for 1 year special feed grain program (4) provide a permanent certificate program for wheat, (5) include amendments on agricultural credit, and (6) provide a research program on industrial uses of agricultural commodities. The bill, as approved, is identical with the bill reported by the committee on April 27, 1962, with the exception of the wheat provisions."

Sen. Proxmire commended the bill as reported by the committee and stated that "it would be a tragic mistake for the Senate to reverse the action of the Senate Committee on Agriculture and Forestry by going back to the administration provision for feed grains." pp. 13733-6

2. NOMINATION. The Agriculture and Forestry Committee reported the nomination of John Baker to be an Assistant Secretary of Agriculture and member of the CCC Board of Directors. p. 13643

3. FOOD FOR PEACE. Sen. Humphrey commended the service of George McGovern as food for peace Director and inserted correspondence between McGovern and the President upon his resignation from that position. pp. 13741-3
Sen. Humphrey commended the appointment of Richard W. Reuter as food for peace Director and inserted a biographical sketch of his career. p. 13743

4. YOUTH CONSERVATION CORPS. Sen. Humphrey urged enactment of legislation for the establishment of a Youth Conservation Corps and inserted a report of the national convention of juvenile court judges endorsing the proposal. pp. 13744-6

5. PUBLICATION. Agreed to the House amendment to H. R. 8141, to amend the laws relating to depository libraries so as to provide for expansion in their number and to improve procedures and conditions for the selection, supply, retention, and disposal of Government publications furnished these libraries for public information. This bill will now be sent to the President. p. 13683

6. FLOOD CONTROL. Passed as reported S. 3066, to direct the Housing and Home Finance Administration to undertake a study of alternative programs to help provide financial assistance to victims of future flood disasters. pp. 13699-13700

7. CONTRACTS. Passed without amendment H. R. 10786, to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the U. S., any territory, or D. C. This bill will now be sent to the President. pp. 13727-9

8. MARKETING. The Special Fair Trade Subcommittee of the Commerce Committee approved for full committee consideration with amendments S. J. Res. 159, the proposed Quality Stabilization Act relative to the identification of goods in commerce by distinguishing brands, names, or trademarks. p. D633

9. TRANSPORTATION. Sen. Carlson inserted several local Chamber of Commerce resolutions favoring enactment of legislation to exempt certain carriers from minimum rate regulation. pp. 13644-5

10. PUBLIC LANDS. Agreed to without amendment S. Res. 361, authorizing a study of the disposition of revenues from natural resources from Federal lands. The measure was reported earlier in the day by the Rules and Administration Committee (S. Rept. 1783). pp. 13645, 13729-30

11. ELECTRIFICATION. The Interior and Insular Affairs Committee reported with amendment S. 594, to authorize construction of the Crater-Long Lakes division of the Snettisham project, Alaska (S. Rept. 1786). p. 13645

12. STOCKPILING. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal stockpile inventories for April 1962, including CCC commodity inventories. pp. 13646-54

13. CONGRESSIONAL ADJOURNMENT. Sen. Morse urged that Congress adjourn by Sept. 1 and return after the Nov. elections, if necessary, to consider any unfinished business. Sen. Proxmire endorsed Sen. Morse's remarks. pp. 13661-2

14. BUDGET. Sen. Miller inserted an article by Maurice Stans, "Is the Federal Budget Obsolete?" pp. 13664-5

Calendar No. 1746

87TH CONGRESS
2d Session

SENATE

REPORT
No. 1787

FOOD AND AGRICULTURE ACT OF 1962

JULY 25, 1962.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H.R. 12391]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with an amendment.

SHORT EXPLANATION

The committee amendment, which is in the nature of a substitute, is identical to S. 3225, as reported by this committee on April 27, 1962; except that the wheat provisions of S. 3225, as passed by the Senate (subtitle B of title III) have been substituted for the corresponding provisions of S. 3225, as reported.

The bill consists of five titles providing for—

TITLE I—LAND USE ADJUSTMENT

1. Permanent administration of the agricultural conservation program on a national basis.
2. Payments to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Appropriations are restricted to $10 million annually.
3. Loans to State and local public agencies to carry out land utilization plans.
4. Amendments to the Watershed Protection and Flood Prevention Act providing, among other things, for Federal participation in installation costs for recreation purposes and in land costs for public fish, wildlife, and recreation purposes.

85006—62——1

TITLE II—PUBLIC LAW 480

Long-term supply contracts with the private trade and other amendments of title IV of Public Law 480, 83d Congress.

TITLE III (SUBTITLE A)—FEED GRAIN PROGRAM

Extension of the special feed grain program to the 1963 crop.

TITLE III (SUBTITLE B)—WHEAT PROGRAM

A marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as determined by the Secretary would carry out the price and income objectives of the bill.

TITLE IV—CREDIT

1. Farmers Home Administration loans for recreational facilities and sewers.
2. An increase (from $10 million to $25 million) in the amount of direct FHA real estate loans for immediate resale which can be made from the agricultural credit insurance fund.
3. A single loan fund for Rural Electrification Administration loans, to include funds appropriated, borrowed, or repaid, and to be available for loans only as authorized in appropriation acts.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

Part I is a reprint of General Background Information as contained in Senate Report No. 1365, April 27, 1962

Part I—General Background Information

INTRODUCTION AND CONSIDERATION OF S. 2786

S. 2786 was introduced by the chairman of the committee at the request of the administration. That bill provided for an extensive program of land use adjustment; amendments to Public Law 480 in furtherance of the food-for-peace program; amendments to the Agricultural Marketing Agreement Act of 1937 which would have authorized producer quotas under marketing orders for turkeys, turkey hatching eggs, and for milk; new supply management programs for feed grains, wheat, and milk; and amendments to the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936. Hearings were conducted on S. 2786 for 8 days, and thereafter a clean bill was developed by the committee.

Although having reservations about certain provisions, the chairman's purpose in introducing the bill was to lay the foundation for a

general review of the agricultural policy in effect for the feed grains, wheat, and dairy products. Of all the agricultural commodities entitled to price supports, these have been most troublesome and costly. In addition, in the case of feed grains and wheat there has been a substantial accumulation of excess stocks by the Federal Government.

The production of corn in 1960 under the open end program wherein price supports were guaranteed producers with no acreage restriction on production was the highest in history.

Notwithstanding the fact that about 19.1 million acres were retired and production was reduced 284 million bushels below 1960 under the emergency feed grain program in effect in 1961, production of corn that year was the third largest in history.

The steady increase in production in excess of our requirements has resulted in an accumulation of stocks under loan and owned by the Government which now equals almost a half year's supply.

As of February 28, 1961, price support investiment by Commodity Credit Corporation in feed grains amounted to $3.3 billion. This compares with less than $1 million as of June 30, 1948.

Commodity Credit Corporation price support losses and other related costs, including export subsidies for the feed grains since the beginning of the program, amounted to $2.2 billion as of December 31, 1961.

While the emergency feed programs in effect in 1961 and in 1962 will be less costly in the long run than if the open-end program had been in effect, the fact is that this program also involves a high level of Government expenditure.

In the case of wheat, production has exceeded requirements regularly and on February 28, 1961, price support investment by Commodity Credit Corporation in wheat amounted to $2.6 billion. This compares with a price support investment of only $8 million in 1948.

The quantity of wheat under loan or owned by the Government now exceeds a full year's supply. In 1938 a minimum national acreage allotment for wheat of 55 million acres was placed in the law. At that time yields per acre averaged 13.3 bushels. In 1960–61 yields averaged 26.2 bushels per acre. Notwithstanding the fact that a substantial oversupply of wheat exists, the Secretary of Agriculture cannot reduce the national allotment below the 55 million acres specified in the law. Repeated efforts to change this minimum have failed, yet this is the one factor contributing most to the increased cost of that program.

The dairy program also has been very costly. The total cost to the Commodity Credit Corporation since the inception of the program amounts to $2.6 billion. About $2 billion came about through losses on price supports and about $600 million through the cost of the special school milk and armed services milk programs. For the marketing year just past, the Department estimated that about $562 million was spent in supporting the price of milk, while another $95 million was spent for the special school milk program. A large part of the increased cost was due to an unexpected decline in milk consumption. The Department further estimated that in spite of the fact that price supports were reduced from $3.40 to $3.11 for the present year, the cost of the dairy program will not be materially lower than the cost last year.

Notwithstanding the excessively high cost of these programs and the huge accumulation of stocks in Government hands, farm incomes have been low and farmers have not shared in the general prosperity experienced by the rest of the economy.

The committee is of the opinion that ways to reduce the costs of these programs and increase farm income must be found. A continuation of the existing cost levels of these programs might well imperil the continuation of all agricultural programs. As to wheat, corn, and other feed grains, price supports should be limited to producers who are willing to curtail their acreage to keep supplies in line with demand; and if price supports for those commodities are to be continued, an effective means of limiting production to the amount needed must be developed.

LAND-USE ADJUSTMENT

The land-use adjustment program proposed by the administration would have provided unlimited authority for the Secretary of Agriculture to divert lands under the Soil Conservation and Domestic Allotment Act through contracts with farmers for the purpose of promoting the conservation and economic use of land including recreational purposes; would have authorized the Secretary of Agriculture to acquire lands in unlimited quantity under the Bankhead-Jones Farm Tenant Act for the purpose of land utilization and conservation including recreational purposes; and would have authorized the Secretary of Agriculture under the Watershed Protection and Flood Prevention Act to enter into agreements with local organizations to purchase land in watershed projects in unlimited amounts for the purpose of fish and wildlife, and recreational developments.

Title I of the bill dealing with land-use adjustment proved to be one of the most difficult parts of the bill to perfect. While only a pilot program under this title was contemplated, the language of the bill, as introduced, was broadly stated in order to provide the committee with a variety of suggested methods for accomplishing its purpose.

The committee by its action of sharply limiting to $10 million the annual amounts which may be obligated under long-term agreements with farmers under the Soil Conservation and Domestic Allotment Act; by eliminating entirely, not only from the bill but from existing law, the authority of the Secretary to acquire land under the Bankhead-Jones Farm Tenant Act; and by limiting the authority of the Secretary under the Watershed Protection and Flood Prevention Act, has indicated that the Department of Agriculture should proceed cautiously under the program authorized. The Secretary of Agriculture had indicated in testimony before this committee that he intended the land-use program to be operated initially on a pilot basis.

While some adjustments in land use and the development of fish and wildlife and recreation appear desirable, the committee is of the opinion that such adjustments should not lead to the development or establishment of a new bureaucracy to administer such a program. It is expected that these programs could be handled by existing Department of Agriculture agencies which now administer similar activities. The development of recreational areas and fish and wildlife areas by individual farmers and by local organizations, the committee feels, is the best way to proceed with such a program.

THE FEED GRAIN SITUATION AND PROGRAM

The 1961 emergency feed grain program has been successful in reducing production and carryover and will result in lower CCC costs this year and for years to come. This has been accomplished without adverse effect on consumer prices. Farm income was improved both as a result of better prices and through payments made to producers for diverting feed grain land to a conservation use.

Until this program was put into effect, feed grain production had increased sharply—largely as a result of increased acreages after allotments were ended, and higher per acre yields. Carryover stocks at the beginning of the 1961 marketing year reached an all-time high of nearly 85 million tons—more than four times those for 1952. In spite of unusually favorable weather in 1961, the program is expected to reduce total carryover stocks by the end of the 1961–62 marketing year by nearly 7.5 million tons, as shown in table 1. In table 2 the supply and utilization of individual feed grains are given.

The Department of Agriculture estimates that had the open-end 1960 program for feed grains been in effect the production of corn would have been about 350 million bushels in excess of disappearance. With the emergency feed grain program in effect, they estimated that the stocks of corn will decline more than 200 million bushels—a net difference of about 550 million bushels. Further, without the 1961 program sorghum production would have been 175 million bushels larger. Excess production of both corn and sorghums, if the 1961 program had not been in effect, would have passed into Government hands, increasing rather than decreasing CCC stocks and taxpayer expenditures.

Detailed results of the 1961 feed grain program are provided in tables 3, 4, and 5.

TABLE 1.—*Feed grains: Total supply and disappearance, United States, marketing years 1950–61* [1]

[Million tons]

Year	Supply [2]						Utilization [2]				Carryover at close of year
	Carryover			Production	Imports [4]	Total	Livestock feed	Food, industry, seed	Exports [4]	Total	
	Government [3]	Other	Total								
1950	20.9	9.6	30.5	113.1	0.8	144.4	95.7	13.7	6.4	115.8	28.6
1951	14.8	13.8	28.6	104.8	1.3	134.7	97.7	12.1	4.8	114.6	20.1
1952	9.0	11.1	20.1	111.0	1.7	132.8	88.8	11.7	5.3	105.8	27.0
1953	16.6	10.4	27.0	108.3	2.2	137.5	89.9	12.1	3.8	105.8	31.7
1954	22.6	9.1	31.7	114.1	.9	146.7	89.7	12.4	5.5	107.6	39.1
1955	29.7	9.4	39.1	120.8	.8	160.7	96.8	12.5	8.1	117.4	43.3
1956	34.7	8.6	43.3	119.3	.9	163.5	94.3	12.6	7.7	114.6	48.9
1957	40.8	8.1	48.9	132.4	1.0	182.3	100.9	12.5	9.8	123.2	59.1
1958	49.2	9.9	59.1	144.1	.4	203.6	110.4	13.0	12.5	135.9	67.7
1959	57.7	10.0	67.7	149.6	.5	217.8	117.2	13.0	12.9	143.1	74.7
1960	65.7	9.0	74.7	155.5	.4	230.6	120.9	13.0	12.0	145.6	84.7
1961 [5]	75.0	9.7	84.7	140.6	.5	225.5	121.8	13.0	13.3	148.1	77.4
1962	67.4	10.0	77.4								

[1] Revised 1955–59 on basis of 1959 Census of Agriculture. Includes corn for grain only.
[2] October–September year for corn and sorghum grain, July–June year for oats and barley.
[3] Under loan or owned by CCC. Includes an allowance for purchase agreement deliveries of corn after Oct. 1 and oats and barley after July 1.
[4] Imports and exports include grain equivalent of products.
[5] Preliminary.

Source: U.S. Department of Agriculture, April 1962.

TABLE 2.—*Feed grains: Supplies and utilization, United States, annual, 1950–62*

[Million bushels]

Marketing year beginning [1]	Supply				Utilization				
	Carry-over	Production	Imports	Total	Livestock feed	Food and industrial use	Seed	Exports [2]	Total
CORN									
1950	844	2,764	1	3,609	2,482	268	12	107	2,869
1951	740	2,629	1	3,370	2,555	240	12	76	2,883
1952	487	2,981	1	3,469	2,312	236	12	140	2,700
1953	769	2,882	1	3,652	2,387	236	13	96	2,732
1954	920	2,708	1	3,629	2,242	248	12	92	2,594
1955	1,035	2,873	1	3,909	2,366	258	12	108	2,744
1956	1,165	3,075	1	4,241	2,377	268	11	165	2,821
1957	1,420	3,045	2	4,467	2,534	269	11	183	2,997
1958	1,470	3,357	1	4,827	2,781	289	13	214	3,297
1959	1,530	3,825	1	5,356	3,056	289	12	212	3,569
1960	1,787	3,908	1	5,696	3,112	290	10	276	3,688
1961 [3]	2,008	3,624	1	5,633	3,200	298	10	325	3,833
1962 [4]	1,800								
OATS									
1950	208	1,369	30	1,607	1,180	37	101	3	1,321
1951	286	1,278	62	1,626	1,206	36	105	2	1,349
1952	277	1,217	69	1,563	1,169	36	108	1	1,314
1953	249	1,153	80	1,482	1,101	36	118	(5)	1,255
1954	227	1,410	20	1,657	1,185	37	119	13	1,354
1955	303	1,496	3	1,802	1,280	38	111	26	1,455
1956	347	1,151	17	1,515	1,106	39	105	25	1,275
1957	240	1,290	25	1,555	1,069	40	95	26	1,230
1958	325	1,401	3	1,729	1,202	41	88	30	1,361
1959	368	1,052	2	1,422	991	42	79	43	1,155
1960	267	1,155	1	1,423	948	42	81	27	1,098
1961 [3]	325	1,013	2	1,340	931	42	80	12	1,065
1962 [4]	275								
BARLEY									
1950	80	304	14	397	145	101	18	40	304
1951	94	257	13	364	151	93	15	31	290
1952	73	228	25	326	134	88	16	37	275
1953	51	247	38	336	131	91	24	19	265
1954	71	379	24	474	186	88	26	43	343
1955	131	403	28	562	228	90	24	103	445
1956	117	377	27	521	217	89	26	62	394
1957	127	434	24	594	221	87	26	92	426
1958	168	477	14	659	231	90	26	117	464
1959	195	422	18	635	233	92	25	118	468
1960	167	431	15	613	259	90	25	86	460
1961 [3]	153	393	20	566	254	90	22	60	426
1962 [4]	140								

See footnotes at end of table, p. 7.

TABLE 2.—*Feed grains: Supplies and utilization, United States, annual, 1950–62*—Continued

[Million bushels]

Marketing year beginning [1]	Supply				Utilization				
	Carry-over	Production	Imports	Total	Livestock feed	Food and industrial use	Seed	Exports [2]	Total
SORGHUM GRAIN									
1950	60	233	(6)	293	141	37	2	75	255
1951	38	163	(6)	201	115	12	2	62	191
1952	10	91	(6)	101	77	4	2	10	93
1953	7	116	(6)	123	79	5	2	15	101
1954	22	236	(6)	258	124	8	3	48	183
1955	75	243	(6)	318	160	8	3	66	237
1956	81	205	(6)	286	173	9	3	22	207
1957	79	568	(6)	647	269	9	3	57	338
1958	309	581	(6)	890	268	9	3	100	380
1959	510	555	(6)	1,065	370	12	2	100	484
1960	581	620	(6)	1,201	416	11	2	70	499
1961 [3]	702	483	(6)	1,185	403	10	2	70	485
1962 [4]	700	---	---	---	---	---	---	---	---

[1] Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.
[2] Corn, sorghum grain and oats, grain only; barley includes grain equivalent of malt.
[3] Preliminary.
[4] Based on indications in March 1962.
[5] Less than 500,000 bushels.
[6] Not reported separately.

Source: U.S. Department of Agriculture, April 1962.

TABLE 3.—*Supply and utilization data and value of production under the 1961 feed grain program as compared to the previous year*

[Millions, except prices and yields]

	Corn		Sorghum grains	
	Marketing year 1960–61	Marketing year 1961–62	Marketing year 1960–61	Marketing year 1961–62
Acreage planted	81.7	67.0	19.6	14.4
Acreage harvested	71.6	58.7	15.6	11.0
Yield per harvested acre—bushels	54.5	61.8	39.8	43.8
Carry-in (Oct. 1)—do	1,787	2,008	581	702
Production—do	3,908	3,624	620	483
Imports—do	1	1	---	---
Total—do	5,696	5,633	1,201	1,185
Domestic utilization—do	3,400	3,493	429	415
Exports—do	288	340	70	70
Total disappearance—do	3,688	3,833	499	485
Carry-out (Sept. 30)—do	2,008	1,800	702	700
Support prices:				
Amount per bushel	$1.06	$1.20	$0.85	$1.08
Percent of parity	65.0	74.1	60.8	77.8
Average market price per bushel	$0.990	$1.05	$0.862	$0.92
Season average price per bushel	$0.996	$1.07	$0.837	$0.955
Value of production	$3,892	$3,890	$515	$459
Payments for acreage diversion	---	645	---	137
Total	3,892	4,535	515	596

Source: U.S. Department of Agriculture, January 1962.

1961 Feed Grain Program

TABLE 4.—*Acres of corn and grain sorghums diverted for payment and value of payments earned* [1]

[Thousands omitted]

State	Corn		Grain sorghums		Total corn and grain sorghums	
	Final acres diverted (1)	Value of payments (2)	Final acres diverted (3)	Value of payments (4)	Final acres diverted (5)	Value of payments (6)
	Acres		*Acres*		*Acres*	
Maine	0.3	$14.4			0.3	$14.4
New Hampshire						
Vermont	.9	38.0			.9	38.0
Massachusetts	.2	7.3			.2	7.3
Rhode Island	(2)	.9			(2)	.9
Connecticut	1.0	48.0			1.0	48.0
New York	172.5	6,644.3			172.5	6,644.3
New Jersey	37.4	1,898.9			37.4	1,898.9
Pennsylvania	158.8	6,774.6	0.8	$20.6	159.6	6,795.2
Ohio	995.2	42,653.3	.2	6.8	995.4	42,660.1
Indiana	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9
Illinois	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4
Michigan	531.5	18,293.5	(2)	.7	531.5	18,294.2
Wisconsin	549.1	23,381.1	(2)	.2	549.1	23,381.3
Minnesota	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1
Iowa	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8
Missouri	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8
North Dakota	406.4	5,515.5	.2	2.2	406.6	5,517.7
South Dakota	818.5	14,484.2	69.3	1,237.3	887.8	15,721.5
Nebraska	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9
Kansas	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9
Delaware	36.9	1,512.7	(2)	.2	36.9	1,512.9
Maryland	77.4	3,129.0	(2)	2.2	77.4	3,131.2
Virginia	125.5	4,333.3	1.8	43.0	127.3	4,376.3
West Virginia	8.9	406.6	(2)	.3	8.9	406.9
North Carolina	492.9	15,661.6	26.3	578.5	519.2	16,240.1
South Carolina	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Georgia	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Florida	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Kentucky	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Tennessee	432.2	11,517.2	16.4	352.6	448.6	11,869.8
Alabama	407.2	7,547.6	6.5	100.3	413.7	7,647.9
Mississippi	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Arkansas	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Louisiana	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Oklahoma	59.4	1,528.4	445.5	7,357.0	504.9	8,885.4
Texas	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Montana	39.9	591.6			39.9	591.6
Idaho	6.7	334.4	(2)	2.2	6.7	336.6
Wyoming	11.8	369.0	.5	9.1	12.3	378.1
Colorado	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
New Mexico	5.4	205.5	100.7	2,424.7	106.1	2,630.2
Arizona	1.7	61.6	54.7	2,128.8	56.4	2,190.4
Utah	7.2	251.3	.2	5.0	7.4	256.3
Nevada	.8	24.0	(2)	.8	.8	24.8
Washington	16.8	965.6	2.3	83.5	19.1	1,049.1
Oregon	15.2	819.8	.1	3.1	15.3	822.9
California	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
United States	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

[1] Based on data reported to Grain Division by ASCS State offices.
[2] Less than 50 acres.

Source: U.S. Department of Agriculture, January 1962.

1961 Feed Grain Program

Table 5.—*Extent of farms participating in the program* [1]

State	Indicated total number of corn and/or grain sorghum farms (1)	Number of farms signed to participate (2)	Number of farms participating in program (3)	Percent of total number of farms participating (4)
Maine	946	44	39	4.1
New Hampshire	970			
Vermont	3,880	90	85	2.2
Massachusetts	1,911	13	12	.6
Rhode Island	291	1	1	.3
Connecticut	2,325	92	90	3.9
New York	41,206	16,168	15,036	36.5
New Jersey	6,447	1,941	1,922	29.8
Pennsylvania	81,526	14,928	14,565	17.9
Ohio	157,039	60,990	59,817	38.1
Indiana	156,730	66,579	65,683	41.9
Illinois	208,445	104,968	100,856	48.4
Michigan	96,664	34,400	33,806	35.0
Wisconsin	120,565	35,555	32,669	27.1
Minnesota	126,995	64,231	63,134	49.7
Iowa	191,603	108,730	106,748	55.7
Missouri	148,999	82,352	81,253	54.5
North Dakota	27,474	20,160	19,853	72.3
South Dakota	61,376	30,164	29,668	48.3
Nebraska	106,827	76,370	75,473	70.6
Kansas	121,606	84,251	82,936	68.2
Delaware	5,077	1,807	1,783	35.1
Maryland	21,714	4,151	4,107	18.9
Virginia	66,471	15,257	14,756	22.2
West Virginia	13,899	897	880	6.3
North Carolina	169,422	53,700	52,899	31.2
South Carolina	67,279	18,066	17,554	26.1
Georgia	83,032	14,143	13,727	16.5
Florida	16,177	4,615	4,529	28.0
Kentucky	114,963	40,200	39,705	34.5
Tennessee	106,576	36,255	25,675	33.5
Alabama	108,263	29,816	29,424	27.2
Mississippi	85,573	18,197	17,763	20.8
Arkansas	33,340	5,603	5,459	16.4
Louisiana	33,045	5,341	5,213	15.8
Oklahoma	50,838	22,912	22,212	43.7
Texas	168,357	80,384	77,334	45.9
Montana	2,966	1,674	1,654	55.8
Idaho	6,486	501	483	7.4
Wyoming	2,150	527	516	24.0
Colorado	17,758	8,057	7,880	44.4
New Mexico	5,495	2,363	2,320	42.2
Arizona	2,281	1,225	1,196	52.4
Utah	3,731	706	690	18.5
Nevada	164	45	44	26.8
Washington	3,289	1,132	1,097	33.4
Oregon	2,806	1,123	1,014	39.3
California	5,969	2,824	2,738	45.9
United States	2,860,946	1,173,548	1,146,388	40.1

[1] Based on data reported to Grain Division by ASCS State offices.

Source: U.S. Department of Agriculture, January 1962.

TABLE 6.—*Corn and grain sorghums: Progress report on signup under 1962 feed grain program through Apr. 12, 1962*

[Acres and dollars amounts in thousands]

State	Estimated total number corn and/or grain sorghum farms (1)	Number of farms signed up (2)	Percent of total farms signed up (3)	Corn, intended diverted acres on farms signed up (4)	Grain sorghums intended diverted acres on farms signed up (5)	Total value of permissible advance payments		Value of sight drafts issued to date (8)	Value of certificates issued for feed grain (9)
						Corn (6)	Grain sorghums (7)		
Connecticut	1,887	154	8.2	2.0	----	$42.8	----	$10.3	----
Delaware	4,993	1,646	33.0	36.6	(1)	716.5	$0.4	570.3	----
Maine	88	56	63.6	.6	----	11.3	----	2.9	----
Maryland	21,179	3,998	18.9	76.6	0.3	1,411.3	3.2	694.9	----
Massachusetts	1,000	19	1.9	.3	----	5.8	----	1.5	----
New Hampshire	970	----	----	----	----	----	----	----	----
New Jersey	5,730	2,365	41.3	46.9	.5	1,108.7	7.7	427.2	----
New York	41,199	16,874	41.0	206.7	1.2	3,757.5	15.1	2,731.6	$1.5
Pennsylvania	85,838	18,341	21.4	209.5	1.0	4,190.4	13.0	3,044.7	.8
Rhode Island	290	2	.7	(1)	----	.7	----	----	----
Vermont	3,888	96	2.5	1.3	----	25.8	----	9.1	----
Virginia	69,624	19,989	28.7	182.3	2.6	2,872.8	27.2	2,213.2	----
West Virginia	7,868	1,652	21.0	16.9	(1)	365.3	.2	261.2	----
Northeast	244,554	65,192	26.7	779.7	5.6	14,508.9	66.8	9,966.9	2.3
Alabama	107,815	37,854	35.1	587.3	8.4	5,066.6	58.9	4,125.4	----
Arkansas	27,558	6,720	24.4	96.7	15.1	1,155.8	154.7	1,077.0	----
Florida	15,242	6,054	39.7	163.9	1.6	1,518.9	17.8	1,462.9	----
Georgia	72,984	25,182	34.5	611.5	13.8	5,955.3	121.5	4,798.9	.3
Louisiana	30,968	8,480	27.4	120.2	4.0	1,470.3	44.7	1,334.9	----
Mississippi	83,861	25,950	30.9	352.0	16.7	3,563.3	189.8	3,358.5	----
North Carolina	148,134	63,421	42.8	653.1	29.6	9,694.8	303.3	9,523.4	----
South Carolina	60,655	23,643	39.0	283.5	9.0	2,792.5	63.8	2,365.9	----
Tennessee	108,752	44,250	40.7	567.2	20.5	7,075.1	200.9	6,032.9	7.9
Southeast	655,969	341,554	36.8	3435.4	118.7	38,292.6	1,154.5	34,079.8	8.2
Illinois	207,580	95,339	45.9	2,313.8	8.1	48,238.3	113.2	32,515.4	137.1
Indiana	156,090	64,948	41.6	1,397.3	5.8	26,933.2	85.4	20,448.8	196.5
Iowa	190,199	110,983	58.4	3,305.8	23.9	61,402.6	341.6	42,280.2	9,003.8
Kentucky	96,368	42,079	43.7	594.2	8.1	8,755.2	104.8	7,206.9	----
Michigan	94,208	38,559	40.9	657.6	(1)	11,013.0	.5	6,892.0	25.8
Missouri	141,876	81,185	57.2	2,133.2	242.5	30,667.0	2,930.7	23,304.9	3,110.9
Ohio	153,363	55,969	36.5	981.2	.2	19,646.8	5.2	12,795.3	256.5

Wisconsin	117,844	34,242	29.1	639.4	----------	12,526.4	.2	9,798.5	304.3
Midwest	1,157,528	523,304	45.2	12,022.5	288.6	219,182.5	3,581.6	155,242.0	13,034.9
Arizona	2,208	905	41.0	1.8	45.0	29.7	815.7	665.7	1.5
California	6,240	2,209	35.4	35.1	59.6	755.8	1,203.7	870.2	----------
Colorado	17,497	7,405	42.3	130.3	230.1	1,743.3	1,401.1	1,247.6	----------
Kansas	122,401	70,871	57.9	622.2	1,670.6	8,492.1	15,560.6	11,372.4	12.5
Nevada	164	7	4.3	.1	(1)	1.2	.2	----------	----------
New Mexico	5,174	2,417	46.7	8.4	116.7	142.5	1,206.1	1,018.0	.3
Oklahoma	46,421	20,807	44.8	70.4	452.0	809.1	3,379.5	2,259.2	----------
Texas	163,856	82,637	50.4	412.7	2,890.5	3,639.9	31,822.4	25,170.7	----------
Utah	3,675	537	14.6	5.7	.2	94.9	2.5	42.2	----------
Southwest	367,636	187,795	51.1	1,286.7	5,464.7	15,708.5	55,391.8	42,646.0	14.3
Idaho	5,896	815	13.8	11.0	.1	245.5	1.6	177.9	----------
Minnesota	126,931	63,265	49.8	1,751.0	1.2	26,042.8	11.8	21,624.5	481.9
Montana	2,914	1,233	42.3	33.3	----------	254.2	----------	133.9	3.5
Nebraska	105,686	69,266	65.5	1,821.0	612.3	26,100.9	7,776.3	27,325.4	534.3
North Dakota	27,594	14,053	50.9	363.3	.6	2,344.5	2.4	1,084.8	3.6
Oregon	2,768	1,037	37.5	16.4	.1	398.7	1.7	252.3	----------
South Dakota	61,174	24,730	40.4	765.2	57.6	6,701.8	487.3	4,815.8	56.9
Washington	3,046	1,341	44.0	24.7	3.0	670.8	50.4	622.5	----------
Wyoming	2,099	492	23.4	11.6	.6	182.6	5.1	141.0	----------
Northwest	338,108	176,232	52.1	4,797.5	675.5	62,941.8	8,336.6	56,178.1	1,080.2
United States	2,763,795	1,194,077	43.2	22,321.8	6,553.1	350,634.3	68,531.3	298,112.8	14,139.9

[1] Less than 50.
[2] Represents signup as Apr. 5, 1962.

Source: Grain Division, ASCS, Department of Agriculture, Apr. 19, 1962.

Table 7.—*Barley: Progress report on signup of 1962 feed grain program through Apr. 12, 1962*

[Acres and dollar amounts in thousands]

State	Number of farms			Intended diverted acres on farms signed up	Total value of permissible advance payments	Value of sight drafts issued to date	Value of certificates issued for feed grain	Malting barley exemptions requested	
	Estimated total	Signed up	Percent signed up					Number of farms	Total base acres established for such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Connecticut									
Delaware	975	111	11.4	1.8	$18.3	$3.4			
Maine									
Maryland	7,002	434	6.2	5.8	57.9	27.9			
Massachusetts									
New Hampshire									
New Jersey	1,922	252	13.1	3.6	65.4	16.7			
New York	3,239	1,095	33.8	8.0	68.1	49.8	$0.7		
Pennsylvania	22,630	1,214	5.4	9.0	87.2	66.0			
Rhode Island									
Vermont	72								
Virginia	13,285	2,725	20.5	26.0	253.3	125.9			
West Virginia	976	47	4.8	.5	4.8				
Northeast	50,101	5,878	15.1	54.7	555.0	289.7	.7		
Alabama	218	33	15.1	.5	3.7	2.7			
Arkansas	845	156	18.5	3.8	31.6	14.6	1.0		
Florida	1								
Georgia	448	179	40.0	2.8	27.1	17.8	.3		
Louisiana	1	1	100.0	(1)	(1)	(1)			
Mississippi	96	30	31.2	.8	6.4	3.0	.3		
North Carolina	10,554	3,117	29.5	20.9	188.6	167.1			
South Carolina	3,027	1,372	45.3	17.0	126.5	80.9			
Tennessee	5,313	1,069	20.1	12.7	83.8	54.6			
Southeast	20,503	5,957	29.1	58.5	467.7	340.7	1.6		
Illinois [2]	8,216	376	4.6	2.9	21.5	3.9		2	(1)
Indiana	7,189	346	4.8	2.6	18.5	9.6			
Iowa [2]	1,427	104	7.3	1.0	8.4	4.3	1.3	1	.1
Kentucky	7,219	1,072	14.8	13.1	104.4	37.3			

Michigan [2]	10,093	1,378	13.7	10.1	80.3	41.4	----------	3	.1
Missouri	17,712	2,896	16.4	38.3	248.1	133.1	.7	----------	----------
Ohio [2]	7,321	442	6.0	3.1	25.8	12.8	.1	----------	----------
Wisconsin [2]	2,502	188	7.5	1.6	14.0	8.6	.8	41	1.1
Midwest	61,679	6,802	11.0	72.7	521.0	251.0	2.9	47	1.3
Arizona	1,646	688	41.8	43.5	706.4	609.4	.3	----------	----------
California	8,426	3,088	36.6	321.8	3,418.1	2,024.0	----------	239	56.7
Colorado [2]	14,990	4,375	29.2	135.2	802.6	100.1	----------	26	1.0
Kansas [2]	41,119	12,661	30.8	215.2	1,251.7	272.9	.1	----------	----------
Nevada	379	34	9.0	9	7.5	----------	----------	----------	----------
New Mexico [2]	1,334	409	30.7	10.4	90.4	55.8	----------	----------	----------
Oklahoma	29,327	10,109	34.5	224.9	1,291.9	219.9	----------	----------	----------
Texas	14,571	6,093	41.8	143.6	830.7	225.5	----------	----------	----------
Utah [2]	8,564	1,323	15.4	24.9	236.2	116.2	----------	----------	----------
Southwest	120,356	38,780	32.2	1,120.4	8,635.5	3,623.8	.4	265	57.7
Idaho [2]	17,676	2,704	15.3	90.1	610.4	225.0	----------	358	32.7
Minnesota [2]	21,605	10,877	50.3	108.2	776.8	544.5	5.4	6,857	511.5
Montana [2]	18,931	6,196	32.7	170.6	888.9	193.7	2.3	4,248	827.7
Nebraska [2]	14,503	4,535	31.3	81.3	473.8	169.3	.8	----------	----------
North Dakota [2]	54,001	23,918	44.3	917.6	4,722.6	1,734.4	1.4	16,640	1,575.3
Oregon	10,373	3,252	31.4	104.8	949.2	489.0	----------	274	24.3
South Dakota [2]	17,301	4,942	28.6	105.7	628.1	346.9	2.2	2,454	114.2
Washington [2]	8,269	2,483	30.0	109.6	1,129.3	378.3	.2	592	70.6
Wyoming [2]	3,587	309	8.6	9.4	55.5	32.0	----------	----------	----------
Northwest	166,246	59,216	35.6	1,697.3	10,234.6	4,113.1	12.3	31,423	3,156.3
United States	418,885	116,633	27.8	3,003.6	20,413.8	8,618.3	17.9	31,735	3,215.3

[1] Less than 50.

[2] Spring signup extended through Apr. 16, 1962.

Source: Grain Division ,ASCS Department of Agriculture, Apr. 19, 1962.

The Agricultural Act of 1961 continued the program for the 1962 crop of corn and grain sorghums and provided for a similar program for the 1962 barley crop.

The acreage signed up for diversion under the 1962 program through April 12, 1962, exceeds that signed up under the 1961 program. Data are given in tables 6 and 7.

The results of the 1962 program, based on the response of farmers to date, indicate that the gains made by the 1961 program can be carried into 1962 and if the weather is average the feed grain carryover and CCC stocks will be reduced by a larger amount than was achieved by the 1961 program.

Despite the success of the 1961 program and anticipated results of the 1962 program, stocks will still be higher than those considered adequate as a reserve.

The committee recommends that the 1962 feed grain program, which includes corn, sorghum, and barley, be continued for the 1963 crop, although barley stocks are not excessive. The program makes it possible to expand acreage of malting barley, if this appears desirable.

The relationship of support prices, acreage, and CCC holdings—1950–62—for corn and grain sorghum is shown in tables 8 and 9.

TABLE 8.—*Relationship of support prices and acreage diversion to production and CCC holdings of corn, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (for grain)	CCC holdings at end of marketing year per crop [1]		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inventory	Loans	Total
					Bushels	*Bushels*	*Bushels*	*Bushels*
1950	$1.47	$1.52	82.9	----------	2,764.1	402.8	84.7	487.5
1951	1.57	1.66	83.3	----------	2,628.9	290.7	15.5	306.2
1952	1.60	1.51	82.2	----------	2,980.8	236.0	277.8	513.8
1953	1.60	1.48	81.6	----------	2,881.8	353.7	362.7	716.4
1954	1.62	1.43	82.2	----------	2,708.9	621.5	236.1	857.6
1955	1.58	1.35	80.9	----------	2,873.0	748.5	360.7	1,109.2
1956	1.50	1.29	77.8	5.3	3,075.3	873.3	386.6	1,259.9
1957	1.40	1.11	73.2	6.1	3,045.4	1,077.1	276.7	1,353.8
1958	1.36	1.12	73.4	8.1	3,356.2	1,184.3	216.3	1,400.6
1959	1.12	1.04	82.7	3.5	3,824.6	1,312.8	389.4	1,702.2
1960	1.06	1.00	81.7	4.6	3,908.1	1,371.0	556.3	1,927.3
1961	1.20	[2].97	67.0	23.7	3,624.3	1,011.2	765.5	[3] 1,776.7
1962 [3]	1.20	1.02	67.0	21.3	3,540.0	820.0	810.0	[4] 1,630.0

[1] For corn, data shown are as of Sept. 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projected on basis of 1963 budget.
[4] As of June 30, 1963.

TABLE 9.—*Relationship of support prices and acreage diversion to production and CCC holdings of grain sorghums, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production	CCC holdings at end of marketing year [1]		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inventory	Loans	Total
					Bushels	*Bushels*	*Bushels*	*Bushels*
1950	$1.05	$1.05	16.1	----------	233.5	17.2	1.5	18.7
1951	1.22	1.32	15.0	----------	162.9	.5	.6	1.1
1952	1.33	1.58	12.3	----------	90.7	.1	2.9	3.0
1953	1.36	1.32	14.6	----------	115.7	21.7	12.7	34.4
1954	1.28	1.26	20.1	----------	235.6	68.0	8.1	76.1
1955	1.00	.98	23.9	----------	242.6	76.2	12.2	88.4
1956	1.10	1.15	21.4	----------	204.9	75.1	24.8	99.9
1957	1.04	.97	26.9	1.9	567.5	294.8	35.5	330.3
1958	1.02	1.00	20.7	2.6	581.0	490.6	24.8	515.4
1959	.85	.86	19.5	3.5	555.2	561.6	22.2	583.8
1960	.85	.84	19.6	3.9	619.9	673.4	43.3	716.7
1961	1.08	[2] .94	14.4	10.0	482.6	649.0	32.4	[3] 681.4
1962 [3]	1.08	.97	14.4	9.3	450.0	[4] 645.0	[4] 24.5	[4] 699.5

[1] For grain sorghums, data shown are as of Sept. 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projected on basis of 1963 budget.
[4] As of June 30, 1963.

THE WHEAT SITUATION

The supply of wheat in continental United States in 1961–62, of 2,655 million bushels, is at a near-record high. This consisted of a carryover of 1,412 million bushels and a production of 1,235 million bushels (a relatively small crop due to drought in the spring wheat area) and estimated imports of 8 million bushels. Total disappearance of wheat in the 1961–62 crop year is estimated at 1,265 million bushels, consisting of 590 million for domestic use and 675 million exported. Exports for the year are at an all-time record.

Even though exports are expected to continue at a high level, the carryover of wheat is far in excess of our needs for reserves to meet possible emergencies.

Total supply and distribution of wheat for the marketing years 1952–61 are given in table 10.

The Department of Agriculture reports that as of February 28, 1962, CCC had approximately $2,608 million invested in 1,345 million bushels of wheat—more than a year's domestic and export requirements. Prices, acreages, and CCC holdings for the period 1950–62 are shown in table 11.

Hard Red Winter wheat is the dominant surplus class at this time, but every class of wheat, except Durum, constitutes a potential surplus since large amounts of each class except Durum have been shipped under special export programs. The utilization and supplies of wheat by classes for recent years are shown in table 12

The Agricultural Act of 1961 authorized a 1-year temporary emergency wheat program for 1962 which provided for a mandatory reduction of 10 percent in farm allotments This will reduce the crop by about 5½ million acres. The 1962 temporary wheat program also

provides that producers may retire additional acreage up to a total of 40 percent of their allotment or 15 acres, whichever is higher. This will result in production below utilization and in reduced stocks of wheat, in view of participation indicated in table 13.

Signup under the 1962 wheat program through April 12, 1962, shows 817,846 farms have signed up to divert 14,926,800 acres from wheat production to conserving uses. Final signup figures are expected to be somewhat larger, since the period for signup will run through April 16, in 12 spring wheat States.

Based on this signup and current crop conditions, and recognizing that all farms may not divert the full acreage signed up, the 1962 wheat crop is currently estimated by the Department of Agriculture at about 1,116 million bushels, about 119 million bushels less than the 1961 crop. In this event, carryover on July 1, 1963, should be about 85 million bushels less than the carryover on July 1, 1962. If the program had not been in effect, production would have exceeded disappearance by as much as 110 million bushels, making a net difference of about 195 million bushels.

The Secretary of Agriculture states that such a change in Commodity Credit Corporation stocks will bring about savings in storage and carrying charges over several years of about $290 million. However, the diversion cost of the temporary program is estimated at about $325 million.

The 1962 temporary emergency wheat program as outlined above was included in the bill, extended for 2 years in order to provide producers with a choice as between this program and the wheat marketing certificate program.

The proposed wheat marketing certificate program would limit the obligation of the Federal Government in regard to price support for wheat. Under present wheat programs, price support between 75 and 90 percent of parity is provided for all wheat produced on the acreage allotment. If producers chose the marketing certificate program in the referendum provided in the bill, marketing certificates would be issued on about 925 million bushels for the 1963 crop, according to information provided by the Department of Agriculture. Producers would be eligible for price support between 65 and 90 percent of parity only on that amount of wheat.

The Secretary of Agriculture has indicated that the price support for the 1963 crop, if the marketing certificate program were in effect, would be approximately $2 per bushel. The Department would reduce its wheat carryover by an estimated 175 million bushels in the 1963 marketing year.

Producers would also market a small portion of their production on the 1963 acreage allotment—approximately 50 million bushels—at a price related to the world price of wheat, or about $1.30 to $1.40 per bushel, since no certificates would be issued to producers for that part of the national marketing quota. This would make it possible for a modest saving to be made immediately on the cost of the export subsidy program for wheat. Once the excessive wheat stocks held by the Government had been reduced to normal, a substantially larger percentage of wheat for export would be marketed by farmers

without certificates, and therefore could be exported without any substantial net subsidy cost to the Government.

If a majority of farmers choose the temporary emergency program it will be in effect for 2 years only. At the end of this period the present permanent program, which provides for price supports at between 75 and 90 percent of parity and the 55 million minimum national acreage allotment, will again become operative.

If, however, a majority of producers choose the wheat marketing certificate program this then becomes a permanent program.

TABLE 10.—*Wheat: Supply and distribution, United States, 1952–60 and 1961 projected*

[In millions of bushels]

	Year beginning July									
	1952	1953	1954	1955	1956	1957	1958	1959 [1]	1960 [1]	1961 [2 3]
Supply:										
Carryover July 1	256.0	605.5	933.5	1,036.2	1,033.4	908.8	881.0	1,295.1	1,314	1,412
Production	1,306.4	1,173.1	983.9	937.1	1,005.4	955.7	1,457.4	1,121.1	1,357	1,235
Imports [4]	21.6	5.5	4.2	9.9	7.8	10.9	7.8	7.4	8	8
Total	1,584.0	1,784.1	1,921.6	1,983.2	2,046.6	1,875.4	2,346.2	2,423.6	2,679	2,655
Domestic disappearance:										
Food [5]	488.4	487.1	485.9	481.6	482.5	486.1	497.1	496.7	496	500
Seed	89.1	69.5	64.8	67.7	57.7	63.2	65.1	63.7	64	52
Industry	.2	.2	.2	.7	.5	.3	.1	.1	----	----
Feed [6]	83.0	76.8	60.1	53.5	47.6	41.9	45.5	39.2	45	38
Total	660.7	633.6	611.0	603.5	588.3	591.5	607.8	599.7	605	590
Exports [7]	317.8	217.0	274.4	346.3	549.5	402.9	443.3	509.9	662	675
Total disappearance	978.5	850.6	885.4	949.8	1,137.8	994.4	1,051.1	1,109.6	1,267	1,265
Stocks on June 30	605.5	933.5	1,036.2	1,033.4	908.8	881.0	1,295.1	1,314.0	1,412	1,390

[1] Preliminary.
[2] Imports and distribution are partly estimated.
[3] Projected.
[4] Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour; also flour free for export.
[5] Includes shipments to U.S. territories and wheat for military food use at home and abroad.
[6] This is the residual figure, after all disappearance is accounted for.
[7] Exports are of wheat, including flour wholly from U.S. wheat and other wheat products in terms of wheat. Shipments are included in domestic disappearance for food.

Source: U.S. Department of Agriculture, "Wheat Situation," February 1962.

TABLE 11.—*Relationship of support prices and acreage diversion to production and CCC holdings of wheat, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushels)	CCC holdings at end of marketing year for crop (bushels) [1]		
	Support price	Average farm price	Planted	Diverted under soil bank and wheat stabilization		Inventory	Loans	Total
1950	$1.99	$2.00	71.3	----------	1,019.3	196.4	11.2	207.6
1951	2.18	2.11	78.5	----------	988.2	143.3	22.3	165.6
1952	2.20	2.09	78.6	----------	1,306.4	470.0	44.4	514.4
1953	2.21	2.04	78.9	----------	1,173.2	774.6	91.0	865.6
1954	2.24	2.12	62.5	----------	983.9	975.9	14.7	990.6
1955	2.08	1.99	58.2	----------	937.1	950.7	45.1	995.8
1956	2.00	1.97	60.7	5.7	1,005.4	823.9	13.8	837.7
1957	2.00	1.93	49.8	13.3	955.7	834.9	37.4	872.3
1958	1.82	1.75	56.0	6.1	1,457.4	1,146.6	88.0	1,234.6
1959	1.81	1.76	56.8	2.3	1,121.1	1,195.4	91.9	1,287.3
1960	1.78	1.75	54.9	3.2	1,357.3	1,242.5	125.6	1,368.1
1961	1.79	[2] 1.90	55.6	3.2	1,234.7	1,207.2	100.0	[2] 1,307.2
1962 [3]	2.00	2.00	42.8	15.9	1,075.0	1,082.8	80.0	1,162.8

[1] For wheat, data shown are as of June 30 of the calendar year following the year of the crop.
[2] As of Mar. 15, 1962.
[3] Projections based on the 1963 budget estimates.

TABLE 12.—*Wheat: Estimated supply and distribution by classes, United States, 1957–61*

[In millions of bushels]

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957–58						
Carryover, July 1, 1957	648	10	196	13	42	909
Production	429	155	169	40	163	956
Imports [1]			11			11
Supply	1,077	165	376	53	205	1,876
Exports, including shipments [2]	219	30	38	1	118	406
Domestic disappearance [3]	245	129	135	27	53	589
Carryover, June 30, 1958	613	6	203	25	34	881
1958–59						
Carryover, July 1, 1958	613	6	203	25	34	881
Production	836	192	233	22	174	1,457
Imports [1]			8			8
Supply	1,449	198	444	47	208	2,346
Exports, including shipments [2]	259	43	46	1	98	447
Domestic disappearance [3]	251	134	147	27	45	604
Carryover, June 30, 1959	939	21	251	19	65	1,295
1959–60						
Carryover, July 1, 1959	939	21	251	19	65	1,295
Production	620	156	151	20	174	1,121
Imports [1]			7			7
Supply	1,559	177	409	39	239	2,423
Exports, including shipments [2]	292	40	49	1	130	512
Domestic disappearance [3]	261	127	142	24	43	597
Carryover, June 30, 1960	1,006	10	218	12	66	1,314
1960–61 [4]						
Carryover, July 1, 1960	1,006	10	218	14	66	1,314
Production	794	190	188	34	151	1,357
Imports [1]			8			8
Supply	1,800	200	414	48	217	2,679
Exports, including shipments [2]	430	55	35	6	138	664
Domestic disappearance [3]	261	133	142	26	41	603
Carryover, June 30, 1961	1,109	12	237	16	38	1,412
1961–62 [4 5]						
Carryover, July 1, 1961	1,109	12	237	16	38	1,412
Production	755	203	116	19	142	1,235
Imports [1]			8			8
Supply	1,864	215	361	35	180	2,655
Exports, including shipments [2]	468	49	42	15	104	678
Domestic disappearance [3]	253	133	139	18	44	587
Carryover, June 30, 1962	1,143	33	180	2	32	1,390

[1] Excludes imports for milling in bond and export as flour.
[2] Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.
[3] Wheat for food (including military food use at home and abroad), feed, seed, and industry.
[4] Preliminary.
[5] Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations. Estimated stocks on farms and in interior mills, elevators, and warehouses, by kinds, are assumed to be present in about the same proportion as produced; the classes within kinds are established on the basis of the quinquennial wheat-variety surveys. Commercial stocks and CCC inventories are reported by classes. Exports by classes are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour.
Data for 1944–56 in "The Wheat Situation," August 1959, p. 12; data f 29–43 in "The Wheat Situation," February 1958, p. 10.

TABLE 13.—*Wheat: Progress report on signup under 1962 wheat stabilization and special Durum wheat programs through Apr. 12, 1962*

[Acres and dollar amounts in thousands]

State	Number of farms			Intended diverted acres on farms signed up	Total value of permissible advance payments	Value of sight drafts issued to date	1962 special Durum wheat program			
	Total eligible [1]	Signed up	Percent signed up				Number of applications filed to date	1960–61 average acres of Durum on such farms	1962 original allotment acres on such farms	Indicated increase in acres of Durum on such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Connecticut	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Delaware	1,946	459	23.6	4.1	$57.7	$15.8				
Maine	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Maryland	15,471	2,249	14.5	17.6	214.8	92.3				
Massachusetts	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Hampshire	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Jersey	4,738	1,552	32.8	13.0	202.4	82.4				
New York	34,951	21,547	61.6	144.6	2,003.7	1,580.3				
Pennsylvania	84,750	13,003	15.3	84.9	1,079.4	791.9				
Rhode Island	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Vermont	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Virginia	51,308	23,101	45.0	155.8	1,827.5	1,016.9				
West Virginia	6,102	1,080	17.7	5.5	67.0	20.6				
Northeast	199,266	62,991	31.6	425.5	5,452.5	3,600.2				
Alabama	7,897	4,289	54.3	33.4	374.4	190.0				
Arkansas	16,563	6,582	39.7	63.5	875.8	500.3				
Florida	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Georgia	19,790	13,227	66.8	88.1	946.3	516.4				
Louisiana	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mississippi	3,398	1,759	51.8	22.4	294.2	178.7				
North Carolina	85,796	50,772	59.8	315.5	3,618.7	3,102.0				
South Carolina	36,507	24,679	67.6	152.6	1,579.8	1,067.1				
Tennessee	35,693	14,206	39.8	93.0	968.8	610.7				
Southeast	205,644	115,514	56.2	768.5	8,658.0	6,165.2				
Illinois [3]	142,855	22,978	16.1	162.4	2,062.0	709.6				
Indiana	124,565	22,503	18.1	160.2	2,022.0	1,025.3				
Iowa [3]	16,569	3,914	23.6	38.5	471.8	178.9				
Kentucky	29,497	8,340	28.3	62.7	746.9	318.4				
Michigan	115,614	36,566	31.6	260.5	3,414.3	2,164.5				

Missouri	142,005	71,367	50.3	650.6	8,661.4	5,289.0				
Ohio	147,776	35,303	23.9	244.6	3,144.6	960.3				
Wisconsin [3]	14,905	2,409	15.7	16.3	238.3	129.4				
Midwest	733,786	203,380	27.7	1,595.8	20,761.3	10,775.4				
Arizona	1,185	512	43.2	8.9	165.5	125.2				
California	6,363	2,222	34.9	97.9	1,012.4	573.5	235	6.9	6.9	2.4
Colorado [3]	21,453	13,747	64.1	843.7	9,554.7	1,016.0				
Kansas	140,447	106,445	75.8	2,554.1	29,478.9	6,229.7				
Nevada	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
New Mexico [3]	4,662	2,166	46.5	126.5	1,068.0	305.7				
Oklahoma	78,355	57,816	73.8	1,653.4	18,189.3	3,243.0				
Texas	65,538	42,863	65.4	1,301.9	12,004.8	2,070.7				
Utah [3]	12,523	2,871	22.9	48.9	466.1	271.5				
Southwest	330,526	228,642	69.2	6,635.3	71,939.7	13,835.3	235	6.9	6.9	2.4
Idaho [3]	30,858	10,980	35.6	243.6	3,543.1	1,548.7				
Minnesota [3]	66,121	24,414	36.9	252.6	3,124.6	2,079.9	[4]	[4]	[4]	[4]
Montana [3]	24,238	14,492	59.8	938.8	7,847.9	1,705.5	737	85.0	221.2	33.4
Nebraska	78,751	61,736	78.4	752.6	9,354.0	2,631.4				
North Dakota [3]	65,426	49,997	76.4	1,876.7	16,119.5	6,230.1	10,939	953.5	1,232.5	371.8
Oregon	16,636	7,695	46.3	192.4	3,113.8	1,721.6				
South Dakota [3]	42,592	26,443	62.1	734.7	6,608.9	3,394.9	1,160	50.4	71.8	19.5
Washington [3]	16,366	9,963	60.9	468.4	8,021.5	2,940.8				
Wyoming [3]	3,819	1,599	41.9	41.9	374.0	194.6				
Northwest	344,807	207,319	60.1	5,501.7	58,112.3	22,447.5	12,836	1,088.9	1,525.5	424.7
United States	1,814,029	817,846	45.1	14,926.8	164,923.8	56,823.6	13,071	1,095.8	1,532.4	427.1

[1] Excludes new wheat farms, whole farms in the conservation reserve program, and farms covered by Government restrictive leases.
[2] Noncommercial.
[3] Spring signup extended through Apr. 16, 1962.
[4] Will be submitted at a later date.

Source: Grain Division, ASCS, Department of Agriculture, Apr. 19, 1962.

RURAL ELECTRIFICATION ADMINISTRATION

On the last day of the hearings on S. 2786, a number of witnesses representing investor-owned power companies recommended an amendment to prohibit the Rural Electrification Administration from making loans for generating capacity where an adequate supply of electric energy was available from investor-owned taxpaying sources at publicly regulated rates and conditions of service, and further prohibiting loans for generating capacity from being made except after public notice and an opportunity for hearing had been afforded interested parties. Witnesses supporting this amendment testified to the effect that the REA was making unnecessary loans at 2-percent interest for the construction of unnecessary generating facilities to supply cooperatives who had ready sources of power on fair terms and at rates in some cases lower than could be provided by the new facilities. A witness representing the National Rural Electric Cooperative Association, who had a prepared statement on the provisions of the bill, testified immediately following the witnesses who proposed the amendment and testified extemporaneously in opposition to the amendment, pointing out that the REA had adopted a new criterion providing for loans where the security of the REA borrower was threatened by actions of its power supplier; that the new policy was made necessary in part because the investor-owned power suppliers were requiring the rural cooperatives to accept dual-rate contracts which precluded the cooperatives from serving all of their members in their own service areas; and that since adoption of the new REA criterion five power companies had dropped these restrictive provisions. No further statements were filed on this subject during the period allowed for filing of statements following the close of the hearings, but the National Rural Electric Cooperative Association, together with other witnesses representing electric cooperatives, testified before the House Committee on Argiculture concerning this amendment and the committee has taken notice of their statements and considered them a part of the record on this question.

The original purpose of the Rural Electrification Act of 1936 regarding electrical power as outlined in sections 2 and 4 was to make loans in the several States and Territories of the United States for rural electrification and for financing the construction and operation of generating plants, electric transmission and distribution lines, or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service.

The accomplishments of the Rural Electrification Administration in carrying out the purposes of the act have contributed materially to the well-being and advancement of rural America. Nearly 5 million rural consumers, or approximately 20 million men, women, and children, receive electric service today through the 1,091 local organizations financed by REA in 46 States, Puerto Rico, and the Virgin Islands. REA estimates that 97 percent of the 3.7 million farms reported in the 1959 census are now electrified and that REA-financed electric systems serve slightly more than half of these farms.

The credit record of REA borrowers is commendable. On more than $4.5 billion in electrification loans, foreclosures have amounted to less than one one-thousandth of 1 percent. Within recent months, REA received the one-billionth dollar in principal repayments in its

electric program. In addition, the electric borrowers have paid into the Treasury more than half a billion dollars in interest. In REA's newer telephone loan program, 768 local telephone companies and cooperatives have already borrowed $855.7 million to finance modern dial telephone service for nearly 1.7 million rural subscribers.

It is evident that REA borrowers have done a tremendous job in providing power to rural areas in furtherance of the purposes outlined in the act.

However, this has not occurred in the absence of controversy between private power and the REA system, particularly regarding loans by REA for the construction of generating and transmitting facilities in direct competition with private power.

The committee is of the opinion that these controversies could be minimized if not eliminated entirely. Clearly the REA system, under the act, has the authority and the responsibility to provide power to its users at fair and reasonable rates. On the other hand, the committee feels a responsibility that the operation and expansion of private power utilities not be impaired by arbitrary and adverse government action.

The Rural Electrification Act of 1936 was necessary in order to bring power to farmers and rural residents whom the investor-owned power companies were unwilling to serve. In order to bring service to the farmer at the end of the line at a reasonable rate, the cooperative needs not only Government financing at low interest rates, but the right to serve the other more lucrative customers within its area who do not have central station service. The act was intended not only as a direct means of bringing service to rural residents, but also as a lever to encourage the investor-owner utilities to serve all prospective customers within their service areas. REA financing may not be used to extend service to any person who already has service from an investor-owned company. To the extent that investor-owned companies provide service to all who desire it within their area, the need for Government loans is reduced. And to the extent that investor-owned companies make power available to REA borrowers at fair and reasonable rates, and on terms which permit them to serve all eligible customers within their service areas, the need and justification for loans for generating facilities disappears. Correspondingly, to the extent that investor-owned companies will serve REA borrowers only on conditions which are not fully fair and reasonable, or which restrict the REA borrowers to the most unprofitable customers, the need for loans to construct generating facilities is increased. The committee has not recommended inclusion in the bill of the amendment recommended by the investor-owned power companies. As indicated by the above discussion, this is a matter in which the Administrator should be left free to exercise his discretion on the basis of all of the diverse facts in each case. Government loans should not be made unnecessarily. They should not be made to give cooperatives an unfair competitive advantage over investor-owned companies. REA borrowers should restrict themselves to the areas they were intended to serve, and should seek to use available investor-owned power to the maximum extent possible, rather than to supplant it unnecessarily. On the other hand, investor-owned companies should seek to furnish REA borrowers with power on a completely fair and equitable basis without delay or harassment or conditions which will force the

cooperative to turn to the REA for loans for generating facilities needed not because of a lack of facilities, but because of a lack of fairness on one side or the other of the bargaining table.

The REA for its part has a responsibility to see that Government funds are not loaned unnecessarily. In making a loan for generating facilities, it should investigate very carefully the need therefor. Public hearings may not be the way to do this, but interested parties should be notified and their views obtained in a reasonable period of time. The Rural Electrification Administration should approach the consideration of such loans in a manner designed to provide as full public information as possible. Open and aboveboard consideration of loans, bringing together all pertinent facts in an objective manner, would preclude the possibility of charges that such loans were unjustified. Secrecy, on the other hand, might well tend to induce doubt that responsible action was taken. Public knowledge of the reasons for and the justification of loans might well go far in mitigating unjust criticism.

Part II—Section-by-Section Explanation

Section 1—Short title.—The first section provides that the act may be cited as the "Food and Agriculture Act of 1962."

TITLE I—LAND-USE ADJUSTMENT

Section 101—Amendments to the Soil Conservation and Domestic Allotment Act.—Section 101 of the bill makes permanent the authority of the Secretary to operate the agricultural conservation program under the Soil Conservation and Domestic Allotment Act, as amended, and would add a new subsection (e) to section 16 of that act to enable the Secretary to enter into long-term agreements (not to exceed 15 years) with producers under which the Federal Government would make fair and reasonable payments and provide other assistance to such producers in return for the producers changing their cropping systems and land uses in order to conserve and develop soil, water, forest, wildlife, and recreation resources or to devote them to nonagricultural purposes.

As originally enacted in 1936, subsection (a) of section 7 of the Soil Conservation and Domestic Allotment Act set forth the purposes of sections 7 through 17 of the act. Subsections (b) through (g) of that section provided for the accomplishment of these purposes through State plans in which the Secretary would cooperate with the States. In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for a sufficient number of States to enact the necessary legislation to effectuate the specified purposes by State action, the Secretary was empowered to operate a Federal program until December 31, 1937. It has been necessary from time to time to extend the authorization for a Federal program. The most recent legislation extends such authority until December 31, 1962. Enabling legislation has been enacted by approximately one-half of the States, but only one State has ever formally submitted a State plan under section 7 of the act. There has been little or no interest or activity on the part of States during recent years to accomplish the purposes of the act by State action.

Section 101 would repeal all references in the law to State action and make permanent the Secretary's authority to carry on a Federal agricultural conservation program.

Amendment (1) of section 101 of the bill would repeal subsections (b) through (g) of section 7 of the act which provide for the State plans.

Amendment (2) would repeal subsection (a) of section 8 of the act which provides for the operation of a Federal program on a temporary basis.

Amendment (3) would remove from subsection (b) of section 8 of the act a reference to the restrictions in subsection (a) that the Federal program operate on a temporary basis.

Amendment (4) would add a new subsection (e) to section 16 of the Soil Conservation and Domestic Allotment Act. Under paragraph (1) of subsection (e) the Secretary would be empowered to make long-term agreements (not to exceed 15 years) with producers under which the Secretary would make payments, grants of aid, and other assistance in amounts determined to be fair and reasonable to producers for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources or for nonagricultural purposes. These agreements would not be in the nature of leases, but would leave the farmer in full possession and control of the property, subject, of course, to such inspection rights as might be necessary to assure performance of the agreement. For instance, the Secretary might assist farmers to divert their land from field crops to fish farming. The Secretary, through payments under section 16(e), could assist in the construction of ponds and other practices. The farmer would continue in full control of his land and would continue to manage his business as he saw fit. He might also obtain other assistance from the Secretary to aid him in his new operation, such as loans under the Consolidated Farmers Home Administration Act of 1961, if he was otherwise eligible.

Existing provisions of the act and of the annual appropriation acts for the Department restrict the Secretary to a year-to-year agricultural conservation program, do not authorize contracts with farmers binding on them to carry out conservation measures, and contain certain other limitations not considered desirable in the operation of a long-term program. Among these limitations are the allocation of funds among States on the basis of their conservation needs, division of payments among producers, increases in small payments, and maximum payment limitations. In addition existing provisions of law do not authorize conservation of recreation resources, as such, and wildlife resources only as related to soil, water, and forest conservation.

Except for the provisions requiring the use of the service of State and local committees, the Secretary is authorized to formulate programs under section 16(e) without regard to the provisions of sections 7 to 15. This provision does not preclude the Secretary's use of authority in such sections if he determines that such use would facilitate the formulation and administration of the program under section 16(e).

Paragraph (2) of proposed subsection (e) would direct the Secretary to protect the interest of tenants and sharecroppers, including provision for their sharing, on a fair and equitable basis, in payments under subsection (e).

Paragraph (3) of the new subsection would authorize the Secretary to agree to modification of agreements previously entered into as he considered desirable in carrying out the purposes of the subsection or to facilitate practical administration of the program.

Paragraph (4) of the new subsection would authorize the Secretary to issue necessary regulations.

Paragraph (5) provides authority for preservation, for a period not to exceed the period of the agreement and an equal period thereafter, of the cropland, crop acreage, and allotment history as well as for requiring the surrender of such history and allotments.

Paragraph (6) authorizes appropriations to carry out section 16(e) at not to exceed $10 million annually.

Amendment 5 would permit disbursements under sections 8 and 16(e) of the Soil Conservation and Domestic Allotment Act to be made through the Commodity Credit Corporation, if it had received appropriated funds to cover such disbursements. This would permit the farmer to receive immediate payment by means of draft when his entitlement to payment had been determined, rather than wait for subsequent issuance and delivery of a Government check.

Section 102—Loans to State and local public agencies for land utilization projects.—Section 102 provides for loans to State and local public agencies to assist them in carrying out projects to utilize lands for public recreation and other purposes more useful than those to which the lands would otherwise be devoted.

Subsection (a) amends section 31 of the Bankhead-Jones Farm Tenant Act to expand the purposes of title III of that act to include the more economic use of lands of all kinds, assistance to local public authorities in providing recreation, and protection of fish and wildlife; and to eliminate extremely broad authorities to protect the public health, safety, and welfare. At present title III of the Bankhead-Jones Farm Tenant Act is limited to programs dealing with submarginal lands.

Subsection (b) repeals the existing authority of the Secretary of Agriculture to acquire lands under title III of the Bankhead-Jones Farm Tenant Act.

Subsection (c) amends subsection (e) of section 32 of the Bankhead-Jones Farm Tenant Act to authorize the Secretary of Agriculture to assist State and local public agencies designated by the Governor or the State legislature, through loans, to carry out land utilization plans. This would enable the Secretary of Agriculture to make loans to appropriate State and local public agencies for the purpose of facilitating the shift of land resources out of unsuitable uses or out of the unneeded production of surplus crops into new and better uses. It would also provide an opportunity for rural renewal development by authorizing the Secretary of Agriculture to help develop plans for improvements and to assist in carrying out such plans by means of loans to State and local public agencies. These plans could be developed for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and poorly developed community facilities. Their objective would be to

create conditions that would make these communities attractive to private investment and individual enterprise. No such loan may be made unless the plans have been submitted to, and not disapproved by, the Governor or the appropriate State agency. Repayment would be required in not more than 30 years, with interest at the average rate paid by the Treasury on obligations of similar maturity.

Loans in excess of $250,000 would require approval by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

Section 103—Amendments to the Watershed Protection and Flood Prevention Act.—Section 103 provides authority for the Secretary to assist local organizations to include public recreational developments on the basis of demonstrated needs in watershed projects carried out under the provisions of the Watershed Protection and Flood Prevention Act. The rapidly increasing need for public recreational developments has been widely recognized. The report recently made to the Congress by the Outdoor Recreation Resources Review Commission recommends legislation substantially in accord with the provisions of section 103.

Section 103 makes three changes in the existing authority contained in the Watershed Protection and Flood Prevention Act, namely:

1. It adds recreational development as a purpose for cost sharing. This means, for example, that funds appropriated to carry out the purposes of the act could be used to cost share with local organizations in enlarging a reservoir to make it more suitable for recreation. It authorizes the Secretary to bear not to exceed one-half of the cost of land, easements, and rights-of-way for reservoir or other sites or areas to be dedicated to public recreation and of providing minimum basic facilities needed for public health and safety, access to and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. The Secretary is authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards to be established by the Secretary, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to such factors as the availability within the region of existing water-based outdoor recreational developments.

Minimum basic facilities are those necessary for the protection of the area and its features and for the health, safety, and recreation use of the public, including such facilities as water supplies, sanitary facilities, electrical service, boat anchorage and launching sites, swimming beaches, access and circulatory roads, parking areas, public camp and picnic sites, trails, overlook stations, cleared public use water areas, and related administrative facilities.

Local organizations would be required to assume responsibility for operating and maintaining the public recreational facilities. They would have to be agencies that qualify as local organizations under the definition in the Federal act. They could include agencies of the State government such as the fish and wildlife and park agencies. They could also be counties, municipalities, and special purpose districts created by or under the provisions of State legislation. Sportsmen's clubs, service clubs, or social, religious, or political groups would not qualify as local organizations for cost sharing under this amendment.

This amendment would not authorize the Federal Government to acquire title to any land. The language to authorize the Secretary to reimburse the local organization for not to exceed one-half of the cost of the land, easements, and rights-of-way and minimum basic facilities is permissive.

2. It authorizes the Secretary to advance funds to the local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid with interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

3. It changes the criteria for Federal participation for all purposes, other than flood prevention and municipal or industrial water supply, from the principle of "consideration of the direct identifiable benefits" to the principle of "consideration of national needs and assistance authorized for similar purposes under other Federal programs." Public recreation, for example, cannot be related to direct identifiable beneficiaries—it will be provided for the general public. Moreover, cost sharing for this purpose should be reasonably comparable with that provided under other Federal programs.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Section 201.—Amendments to title IV of Public Law 480.—Section 201 would amend title IV of Public Law 480, as amended, which authorizes long-term supply contracts for dollar credits, in the following respects:

Amendment to statement of purpose.—Section 401 of the act would be amended so as to (1) make it clear that the purposes of title IV include stimulating and increasing the sale of surplus agricultural commodities for dollars through long-term supply contracts and the extension of credit for the purchase of such commodities, and (2) reflect in the statement of purposes the addition of the authority of the Secretary to enter into supply agreements with the private trade.

Under the statement of purposes as presently worded, the emphasis is on the use of surplus agricultural commodities to assist the economic development of friendly nations, and agreements with the private trade are not authorized. The agricultural commodities covered by such private trade sales agreements would be consumed within the underdeveloped country to which they are shipped and could not be reexported or transshipped to other countries.

Financial institutions acting in behalf of friendly nations.—Section 402 of the act would be amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.

This will permit the President to enter into sales agreements with government banking institutions of other countries such as central banks or similar institutions and thereby give greater flexibility in negotiating title IV sales agreements.

Sales agreements with private trade.—Section 402 of the act would also be amended so as to authorize the Secretary to enter into transactions with foreign and U.S. private trade under the same terms and conditions applicable to government-to-government sales agreements as currently authorized. The Secretary of Agriculture would require the furnishing of such security as he determines necessary to provide

reasonable assurance of payment of the amount due for commodities sold under such private sales agreements.

Repayment provisions modified.—Section 403 of the act would be amended to remove the requirement that repayments for commodities supplied under title IV be in "approximately equal annual amounts" and to substitute in its place the requirement that repayments be in reasonable annual amounts with authority to defer the date for beginning such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year. This amendment will provide greater flexibility to schedule the dollar repayments and fix the amounts of annual repayments in terms of the individual country's financial situation and debt structure. The present requirement for equal annual payments, beginning not later than December 31 of the year following the year in which commodities are delivered, has precluded in a number of instances the use of title IV.

Participation by other exporting nations.—Section 405 of the act would be amended so as to make discretionary rather than mandatory the authority under which other exporting nations are permitted to participate in the supply and assistance program authorized by title IV on the same terms and conditions as those applicable to the United States. Such authority would also be placed in the President instead of the Secretary of Agriculture.

The present language of section 405 of the act directs that the Secretary endeavor to reach agreement with other exporting nations for their participation in the supply and assistance program. Experience indicates that a discretionary rather than a mandatory provision is more appropriate in view of the fact that most other friendly supplying nations generally are either not able or are unwilling to participate in long-term supply and credit programs.

Additional provisions of title I made applicable to title IV.—Section 202 would amend section 406 of the act so as to make certain additional provisions of title I of the act applicable to sales under title IV; namely, that in negotiating sales under title IV the President shall take appropriate steps to assure that private trade channels are used to the maximum extent practicable; and shall give special consideration to utilizing the authority and funds provided for developing markets for agricultural commodities.

These provisions are not presently applicable to sales under title IV of the act.

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed Grains

Subtitle A of title III extends the 1962 feed grain program to cover the 1963 crop.

Section 301—Price support on feed grains for 1963.—The provisions of this section are the same as for the 1962 crop. Section 301 of the bill would amend section 105(c) of the Agricultural Act of 1949 to provide price support on 1963 crop corn at such level not less than 65 percent of parity as the Secretary may determine. Price support for corn, grain sorghums, and barley is limited to a quantity not to exceed the normal production as determined for the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage. Section 301 also

provides that the Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the 1963 feed grain program for corn and grain sorghums to the extent prescribed by the Secretary and, except in the case of a producer of malting barley or a producer of barley on a summer-fallow farm, shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. Similar provisions are provided as a condition of eligibility for price support on the 1963 crop of barley with a requirement that the producer shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. It is understood that the extent of participation in each of these programs required as a condition of price support would be 20 percent of the 1959–60 adjusted acreage devoted to corn and grain sorghums or barley, respectively, subject, of course, to the Secretary's authority under section 304 of the bill to limit participation as a result of an emergency created by drought or other disaster or to prevent or alleviate a shortage in supply.

No producer of malting barley, however, shall be required to participate in the 1963 feed grain program for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963 and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. A producer of barley on a farm where summer fallow is the normal practice, who does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted to summar fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 percent of the average acreage devoted on the farm to corn, grain sorghums and barley in 1959 and 1960, would also be exempt from being required to participate in the 1963 program for barley.

In determining the maximum quantity of a commodity eligible for price support, the Secretary, as under the price support program for the 1962 crop, would have authority to determine and adjust yields for the 1959 and 1960 crop acreages in the manner provided in section 302 of the bill. The Secretary would have similar authority with respect to determining acreages for 1959 and 1960 for price support purposes. In addition, the language of the bill permitting the Secretary to prescribe the extent to which producers must participate in the 1963 feed grain program in order to be eligible for price support on corn, grain sorghums, and barley vests him with authority to provide price support to producers who did not knowingly violate the requirements for participation prescribed by the Secretary.

Section 302—Special feed grain program for 1963.—Section 302 of the bill amends section 16 of the Soil Conservation and Domestic Allotment Act to provide for a special feed grain program for 1963 under which payments shall be made to producers who divert acreage in 1963 from the production of corn, grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving

crops or practices, including summer fallow and idle land, by an equal amount. Producers may elect in lieu of payment to devote the diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary.

The provisions for the 1963 feed grain program are the same as those for the 1962 program.

In order to be eligible for payment, a producer (other than a producer of malting barley or a producer of barley on a summer-fallow farm as described in section 301 of the bill) who participates in the 1963 feed grain program for corn and grain sorghums must not knowlingly devote an acreage on the farm in excess of the average 1959–60 acreage devoted on the farm to barley, and a producer who participates in the 1963 feed grain program for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average 1959–60 acreage devoted on the farm to corn and sorghums.

Payments in cash or in kind may be made on diverted acreage equivalent to 20 percent of the average acreage on the farm planted to corn and grain sorghums or barley, in the crop years 1959 and 1960, or up to 20 acres, whichever is greater, on an amount of the commodity not in excess of 50 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 percent of such corn and grain sorghums, or barley acreage, in the crop years 1959 and 1960. Such payments shall be made on an amount of the commodity not in excess of 60 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage.

Payments are made at the basic county support rates for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops. The section provides that the Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance.

The bill requires that producers increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops and practices, including summer fallow and idle land, by a specified amount.

The Secretary would make adjustments in yields for the 1959 and 1960 crop years as he determined necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreage and yield figures shall be used in making determinations, subject to adjustment for abnormal weather conditions, crop rotation practices, and other factors. The authority for the Secretary to determine terms and conditions for the program includes authority to provide for adjusting any payment on account of failure to comply with the terms and conditions for the program includes authority to provide for adjusting any payment on account of failure to comply with the terms and conditions of the program. The terms of the bill

for the 1963 feed grain program, similar to the program authorized for 1962, do not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses.

Section 303—Payments by Commodity Credit Corporation.—This section of the bill authorizes Commodity Credit Corporation to make payments under the 1963 feed grain program in cash or in kind through the issuance of negotiable certificates which shall be redeemed by Commodity Credit Corporation for feed grains. Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of certificates at such time and in such manner as the Secretary determines best effectuates the purposes of the program. This provision is the same as the one contained in the 1962 feed grain program.

Section 304—Emergency created by drought or other disaster.—This section of the bill authorizes the Secretary to place such limits on the extent that producers may participate in the 1963 feed grain program as he determines necessary because of an emergency created by drought or other disaster or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley. This provision is needed to provide the Secretary with authority to take care of any emergency situations which might arise after the enactment of this legislation. Under this section, the Secretary could impose uniform limitations on the participation of all producers if a general feed grain shortage should develop, or a uniform limitation on all producers within a particular area if a drought or other disaster in such area should make such limitation necessary.

Subtitle B—Wheat

Section 310—Legislative findings.—Section 310 of the bill would amend section 331 of the Agricultural Adjustment Act of 1938, as amended, which contains legislative findings with respect to wheat. The amendments would provide additional findings to show the need for legislation to prevent the use of acreage diverted from wheat production to produce other commodities in surplus supply and would provide a constitutional basis therefor under the commerce clause.

Section 311—National marketing quota.—Section 311 would repeal the present section 332 of the 1938 act dealing with the proclamation of the national acreage allotment of wheat and substitute therefor a section 332 providing that whenever prior to April 15 of any calendar year the Secretary should determine that the total supply for wheat would, in the absence of a marketing quota program, likely be excessive, he would proclaim a national marketing quota of wheat for the marketing year beginning in the next calendar year and may, if necessary to effectuate the policy of the act, proclaim a national marketing quota for either the following marketing year or the following 2 marketing years. If a national marketing quota should be proclaimed the Secretary would, during the period of January 1–April 15 of the calendar year preceding the year in which the marketing year begins, proclaim the amount of the national marketing quota which would be the amount of wheat which the Secretary estimated (1) would be utilized for human consumption in the United States as food, food products, and beverages; (2) would be used in the

United States as seed; (3) would be exported as wheat or wheat products; and (4) the average amount used as livestock (including poultry) feed in the 1959–60 and 1960–61 marketing years; less (1) estimated imports and (2) if Commodity Credit Corporation wheat stocks should be determined by the Secretary to be excessive, the amount of wheat determined to be a desirable reduction in such stocks. The bill provides for a minimum national marketing quota for wheat of 1 billion bushels. If the Secretary should determine that total stocks of wheat in the Nation were insufficient to assure an adequate carryover for the next succeeding marketing year he would be required to increase the national quota sufficiently to assure an adequate carryover. Authority would be given the Secretary, after investigation, to terminate or increase any national marketing quota if necessary to meet a national emergency or material increase in export demand. If an increase is proclaimed, wheat acreage allotments would be increased by a uniform percentage.

Section 312—National acreage allotment.—Section 312 of the bill would revise the present section 333 of the 1938 act to provide for the proclamation by the Secretary of a national acreage allotment of wheat at the same time the national marketing quota was proclaimed. The amount of such allotment would be the number of acres which on the basis of expected yields would, together with the expected production on increases in acreage allotments for small farms and on increased acreages resulting from the small-farm exemption, make available a supply of wheat equal to the national marketing quota.

Under existing provisions of section 333 of the 1938 act the national acreage allotment is the acreage determined by the Secretary on the basis of the national average yield of wheat as will produce an amount of wheat, which, with estimated carryover and imports, would make available a supply of wheat equal to a normal year's domestic consumption and exports plus 30 percent.

Section 313—Increased allotments for kinds of wheat in short supply.—Section 313 of the bill contains five amendments to section 334 of the 1938 act.

Amendment (1) would make subsection (e), which provides authority for increasing Durum wheat acreage allotments, inapplicable to the 1963 and succeeding crops. Durum wheat would then come within the new provision added by amendment (5) of section 313, which is applicable to any kind of wheat in short supply.

Amendment (2) would repeal subsection (g) dealing with preservation of history in cases where the producer is prevented from seeding wheat because of unfavorable weather, and redesignate subsections (h) and (i) as (g) and (h), respectively. Subsection (g) under existing provisions of the act has been superseded by the broader provisions of section 377 of the act.

Amendment (3) would amend (new) subsection (h) to exempt farms in Tulelake area of California which receive increased acreage allotments to produce Durum wheat under that subsection from the land-use provisions of section 339 of the act.

Amendment (4) would also amend (new) subsection (h). By an amendment in Public Law 87–357, a sentence was added to the effect that any law providing for a general reduction in farm allotments or for an acreage diversion program for the 1962 or 1963 crop of wheat

would not be applicable to any increased allotment under this subsection unless such law was expressly made applicable to such farms. In view of amendment (3) above, the words "or 1963" are no longer needed and are deleted by this amendment (4).

Amendment (5) adds a new provision to the act which would authorize the Secretary to increase allotments for any kind of wheat which he determines to be in short supply. An increased allotment would not be authorized if the producer planted any wheat on the farm other than the kind in short supply. A farm receiving an increased acreage allotment for the production of wheat in short supply would not be subject to the land-use provisions of section 339 and the producers on the farm could obtain price support without complying with such provisions.

Section 314—Commercial area.—Section 314 of the bill would add a new section 334a to the 1938 act to provide that the Secretary could, in order to promote effective administration of the 1938 act and the Agricultural Act of 1949, designate any State having an acreage allotment for any crop of 25,000 acres or less as being outside the commercial area for such crop. Farm acreage allotments and marketing quotas would not be applicable in the noncommercial area.

The new section is a rewritten version of (but substantially identical with) section 335(e) of the 1938 act.

Section 315—Small farm exemption.—Section 315 would amend section 335 of the 1938 act by repealing the present provisions of the section dealing with national and farm marketing quotas and certain exemptions therefrom (some of which are obsolete) and substituting in lieu of the present provisions a new section 335 on the exemption of small farms from marketing quotas. The new section would provide that no marketing quota would apply to any farm with a farm acreage allotment of less than 15 acres if the wheat acreage did not exceed the small-farm base unless the operator should elect in writing to be subject to the farm marketing quota. The small-farm base acreage would be the smaller of (A) the average of the highest 3 years during the 5-year period 1957–61, or such later 5-year period determined by the Secretary, with certain adjustments, or (B) 15 acres. The acreage allotment for any farm would be the larger of (1) the small-farm base acreage for the farm reduced by the same percentage by which the national acreage allotment is reduced below 55 million acres or (2) the acreage allotment determined without regard to the provisions of (1). If no election to be subject to the farm marketing quota should be made, (1) the farm acreage allotment for purposes of computing excess acreage and penalty shall be deemed to be the larger of the acreage allotment or the small-farm base acreage, (2) the land-use provision of section 339 of the act would be inapplicable to the farm, (3) the crop of wheat would be ineligible for price support, and (4) no wheat marketing certificates under section 379c would be issued for the farm.

Under existing law (par. (7) of Public Law 74, 77th Cong.) the exemption from quotas is 15 acres. This was reduced to 13.5 acres generally and to a smaller acreage in certain cases for the purposes of the 1962 program by the Agricultural Act of 1961.

Section 315 repeals section 335(f) of the 1938 act, which provides for the so-called feed wheat exemption permitting any producer to

harvest up to 30 acres of wheat without penalty, if the entire crop is used on the farm where produced.

Section 316—Referendum.—Section 316 of the bill would rewrite the present provisions of section 336 of the 1938 act on referendum. The section would provide for a referendum of wheat farmers to be held not later than 60 days after publication in the Federal Register of the national marketing quota proclamation to determine if such farmers favor or oppose the quota for the year or years for which proclaimed. All producers on farms having farm acreage allotments would be eligible to vote except those on farms with small farm base acreages for which the owner and operator did not elect to be subject to the program. Results of referendum would be proclaimed within 30 days after date of referendum. A two-thirds favorable vote of the farmers voting would be required for the quota to remain in effect.

Under existing law the referendum must be held between the date of the proclamation of the national quota and July 25. Farmers eligible to vote are those who will be subject to the quota, i.e., those who will produce more than 15 acres of wheat, excluding farmers who obtained the feed wheat exemption for the immediately preceding crop.

Section 317—Repeal of (old) section 337.—Section 317 of the bill would repeal the present (largely obsolete) provisions of section 337 dealing with adjustment and suspension of quotas.

Section 318—Land use.—Section 318 of the bill would add a new section 339 to the 1938 act. Under subsection (a) of the new section, whenever marketing quaotas are in effect wheat producers on any farm (except a farm with a new-farm allotment) would be required to divert from wheat an acreage of cropland on the farm equal to the number of acres by which the acreage allotment for the farm is reduced below what the acreage allotment would have been on the basis of a national acreage allotment of 55 million acres. A penalty at the rate of 65 percent of parity times the farm normal yield of wheat would apply to the producers on the farm jointly and severally, plus 6 percent interest, for each acre of a crop produced on acreage required to be diverted from wheat production unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purposes of the program, or (2) no wheat was produced on the farm and the producers had not filed an agreement or intention to participate in the payment program under subsection (b). Until the penalty has been paid, a lien would be in effect on the crop of wheat and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest.

The Secretary could, to the extent he determined it to be desirable, require the producer to designate the same land each year as the diverted acres.

The Secretary could permit the diverted acreage to be grazed.

Under subsection (b) the Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops of wheat to producers who divert acreage from wheat. Such payment may not exceed the normal production of wheat for the acreage diverted, multiplied by 50 percent of the basic county support rate for the crop.

Such payments would be made with respect to the acreage diverted under subsection (a) and the Secretary could permit producers to divert for payment additional acreage equal to 20 percent of the farm wheat acreage allotment. Producers at their election could divert acreage for payment, in addition to that diverted under subsection (a), as would bring the total diverted acreage to 15 acres. Such payment program would require the producer to devote the diverted acreage to conservation uses, and to maintain his normal acreage of conservation uses, summer fallow, and idle land. Appropriated adjustments in the normal acreage of conserving uses are authorized in order to establish a fair and equitable soil-conserving acreage for the farm. Also the producer could not knowingly exceed any farm acreage allotment for any commodity produced on the farm and, except as the Secretary might prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. A farm which is exempt from quotas under the small-farm exemption (does not exceed the small-farm base acreage) would not be deened to be in excess of the allotment. Producers on new wheat farms would not be entitled to payments. Payments would be made in cash or in wheat and would be divided among producers on the farm on a fair and equitable basis.

Subsection (c) would authorize the Secretary to adjust any payment for failure to comply with terms and conditions of the program regulations. Thus if a violation occurred, a forfeiture of the entire payment would not necessarily be required, but the payment could be adjusted to take into account the nature and extent of the violation.

Subsection (d) would authorize up to 50 percent of any diversion payment to be made to producers in advance of determination of performance.

Subsection (e) would authorize the Secretary to permit diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not, and will not be, in surplus supply. The payment rate in such case could not exceed one-half the rate which would otherwise be applicable, and no price support would be available for the production on the diverted acreage.

Subsection (f) ould authorize the Secretary to include in the program such terms and conditions as he considered desirable.

Subsection (g) would authorize the Secretary to promulgate program regulations.

Subsection (h) would authorize Commodity Credit Corporation to utilize its capital funds and other assets for making program payments and paying administrative expenses during the period ending June 30, 1963. The subsection would authorize appropriations for paying administrative expenses after that date.

Subsection (i) would authorize the Secretary to accept performance rendered in good faith upon the action or advice of an authorized representative of the Secretary, as meeting the requirements of this section, or of the 1962 wheat diversion payment program. Payment for such performance may be made in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

Section 319—Compliance.—Section 319 of the bill contains nine amendments to Public Law 74, 77th Congress, dealing largely with compliance features of the wheat marketing quota program.

Amendment (1) would rewrite paragraph (1) of said public law to require computation of the farm marketing excess initially as double the farm normal yield of wheat times the excess acres, but such excess would be reduced to the actual yield times the excess acres upon proof by the producer of the actual yield. The guarantee in existing law that the farm marketing excess cannot be more than the actual production of wheat on the farm less the normal production of the farm acreage allotment would no longer apply. Amendment (1) would also make it clear that the acreage of wheat not disposed of by the prescribed disposal date would be considered wheat acreage, with the wheat production thereon appraised for the purposes of determining the farm marketing quota and farm marketing excess; that wheat acreage disposed of prior to the disposal date would not be considered wheat acreage; that the acreage of volunteer wheat not disposed of would be considered wheat acreage.

Amendment (2) would rewrite paragraph (2) of Public Law 74 so as to increase the penalty rate to 65 percent of parity and to add a provision that all wheat producers on a farm shall be jointly and severally liable for the entire amount of penalty. Under existing law the penalty rate is 45 percent of parity, except that it was established at 65 percent of parity for the 1962 crop of wheat by the Agricultural Act of 1961.

Amendment (3) would amend paragraph (3) of Public Law 74 so as to require computation of the farm marketing excess initially upon twice the normal yield.

Amendment (4) would rewrite paragraph (4) to delete any reference therein to corn and to provide that a lien in favor of the United States for unpaid penalty would be in effect on the current crop of wheat on the farm and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest. Since acreage allotments and marketing quotas are no longer applicable to corn, the references to corn are obsolete.

Amendments (5) and (6) would delete any reference to corn from paragraphs (5) and (6) of Public Law 74.

Amendment (7) would repeal paragraph (7) of Public Law 74, and renumber paragraphs (8) through (11) as (7) through (10), respectively. Paragraph (7), providing for the 15-acre exemption, would be superseded by section 315 of the bill.

Amendment (8) would eliminate references to corn in renumbered paragraph (7) of Public Law 74 and add a provision making the buyer who fails to collect any penalty and all producers on the farm jointly and severally liable for such penalty. The current provisions of the act are interpreted as permitting the imposition of joint and several liability for penalty, but this provision of the bill would expressly so provide.

Amendment (9) would repeal paragraph (12) of Public Law 74 guaranteeing a minimum farm marketing quota equal to the normal yield of the farm acreage allotment. It also would add two new paragraphs (11) and (12) to require the payment of 6 percent interest on

unpaid penalty and to provide that when wheat marketing quotas are not in effect for any marketing year, all previous wheat quotas would be terminated, effective at the beginning of such marketing year, but that such termination should not abate penalties previously incurred or relieve any buyer from remitting any penalty previously collected. Provisions of existing law do not authorize imposition of interest on unpaid penalties until a judgment has been obtained. There is no express provision in existing law providing for termination of previous quotas whenever quotas are not in effect for any marketing year.

Section 320—Wheat "normal yield."—Section 320 makes the definition of "normal yield" for rice applicable to wheat which means that the normal yield for wheat will be the average yield for the most recent 5 years, adjusted for abnormal weather conditions, insect pests, plant disease, or other uncontrollable natural cause, and for trends. If on account of such abnormal conditions, the yield for any year of the 5-year period is less than 75 percent of the average, 75 percent of the average would be substituted therefor. If on account of abnormally favorable weather conditions, the yield for any year of the 5-year period is in excess of 125 percent of the average, 125 percent of the average would be substituted therefor.

Under existing law, "normal yield" for wheat is defined as the average yield for the most recent 10 years, adjusted for abnormal weather conditions and for trends, but without the specific guidelines for making the adjustments for abnormal conditions.

Section 321—General adjustment of quotas.—Section 321 of the bill would amend section 371 of the 1938 act providing for general adjustment of quotas and allotments by striking out references therein to wheat and corn. Adjustments of wheat quotas would be provided in section 332(c) of the 1938 act, as amended by section 311 of the bill. There are not allotments or quotas for corn in existing law.

Section 322—Finality of wheat diversion payments.—Section 322 of the bill would amend section 385 of the 1938 act, which provides that the facts constituting the basis for certain Federal payments and loans when made in conformity with applicable regulations of the Secretary may not be reviewed by any other officer or agency of the Government, to include wheat diversion payments under the bill. In the same way the section would be amended to add wheat diversion payments to the list of Federal payments as to which the Secretary would be authorized to determine to whom to make payment in cases where the producer entitled to payment dies, becomes incompetent, or disappears before receiving the payment.

Section 323—Applicability of amendments.—Section 323 of the bill provides that the amendments to the 1938 act and to Public Law 74 made by sections 310 through 322 of the bill would apply to the 1963 and subsequent crops and to the marketing years beginning in 1963 and subsequent years.

Section 324—Wheat marketing allocation program.—Section 324 of the bill adds a new subtitle D to title III of the Agricultural Adjustment Act of 1938, as amended, to provide for a wheat marketing allocation program.

Section 379a—Legislative findings.—Section 379a of the new subtitle contains legislative findings with respect to the need for a wheat marketing allocation program and provides a constitutional basis therefor under the commerce clause.

Section 379b—Wheat marketing allocation.—Section 379b of the new subtitle provides that during any year for which marketing quotas are in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect. Each farm would receive a wheat marketing allocation equal to the number of bushels obtained by multiplying the normal production for the number of acres in the farm acreage allotment by the national allocation percentage. The national allocation percentage would be that percentage of the national marketing quota which represents the amount of wheat used during the year for human consumption in the United States plus that portion of the amount of wheat used for exports on which the Secretary determines that marketing certificates shall be issued in order to achieve, insofar as practicable, the price and income objectives of the program.

Section 379c—Marketing certificates.—Section 379c of the new subtitle provides for the issuance of wheat marketing certificates in the amount of the farm wheat marketing allocation. If the producer planted less than the number of acres necessary to qualify for the full allocation, he would be limited to wheat marketing certificates in the amount of the actual acreage of wheat planted times the normal yield plus the amount of any wheat stored to avoid or postpone a marketing penalty which is released from storage during such year on account of underplanting or underproduction. Wheat marketing certificates would be shared among producers on the farm on the basis of their respective shares in the crop.

No producer would be eligible to receive wheat marketing certificates if a marketing quota penalty is assessed for any commodity on the farm or if the farm has not complied with the land-use requirements for wheat to the extent prescribed by the Secretary, or, except as the Secretary may by regulations prescribe, if he exceeds the farm acreage allotment or any other farm for any commodity in which he has an interest as a producer. A producer would not be deemed to have exceeded a farm acreage allotment for wheat if the excess wheat is delivered to the Secretary or stored to avoid or postpone payment of the penalty.

The Secretary would determine and proclaim for each year the face value per bushel of marketing certificates. The face value per bushel of such certificates would be equal to the amount by which the support price for wheat accompanied by certificates exceeded the support price for noncertificate wheat.

Marketing certificates and transfers thereof would be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary prescribes.

Section 379d—Marketing restrictions.—Section 379d of the new subtitle provides that any person acquiring marketing certificates from the producer to whom such certificates are issued is required to purchase an equal number of bushels of wheat. Any unused certificates held by persons other than the producer to whom the certificates were issued would be purchased by Commodity Credit Corporation. Commodity Credit Corporation would also be authorized to purchase certificates from producers to whom such certificates are issued, without requiring wheat to be delivered, in any case where the Secretary determines that it would constitute an undue hardship to require

the producer to transfer the certificates only in connection with the disposition of wheat.

Persons engaged in the processing of wheat into food products prior to marketing the product for human food in the United States would be required to acquire marketing certificates equivalent to the number of bushels of wheat in such product. Any person exporting wheat or food products composed wholly or partly of wheat would be required to acquire marketing certificates equivalent to the number of bushels of wheat exported. Marketing certificates would be valid only to cover sales or exportations made during the year with respect to which they are issued, and after being once used would be void.

The Secretary may, subject to such regulations as he may prescribe, permit a person to market wheat or wheat products without first acquiring certificates to cover such transaction, by posting a bond or other undertaking to secure the purchase of the necessary certificates.

The term "food products" is defined to be any product to be used for human consumption, including beverage.

Section 379e—Assistance in purchase and sale of marketing certificates.—In order to facilitate the purchase and sale of certificates, section 379e of the new subtitle authorizes Commodity Credit Corporation to issue, buy, and sell marketing certificates. The Corporation would be authorized to issue and sell certificates in excess of the quantity of certificates which it purchases. The Corporation would be authorized in the sale of marketing certificates, to charge, in addition to the face value of the certificate, an amount to cover administrative costs and interest.

Section 379f—Conversion factors.—Section 379f of the new subtitle authorizes the Secretary to establish conversion factors to determine the amount of wheat contained in any food product. Such conversion factor would be determined upon the basis of the weight of wheat used in the manufacture of the product.

Section 379g—Authority to facilitate transition.—Section 379g of the new subtitle authorizes the Secretary to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the new program. Such authority would include the authority to exempt all or any part of the wheat or food products in the channels of trade on the effective date of the program from having to acquire certificates or to sell certificates to persons owning such wheat food products at such prices as the Secretary determines.

Section 379h—Reports and records.—Section 379h of the new subtitle subtitle requires processors of wheat, warehousemen and exporters of wheat and wheat products, and all persons dealing in wheat marketing certificates to keep such records and make such reports as the Secretary determines necessary. The Secretary would be authorized to examine such records.

Section 379i—Penalties.—Any person failing to acquire marketing certificates as required by section 379d(b) would be required to forfeit two times the face value of the marketing certificates involved in the violation.

This section makes it a misdemeanor, subject to a fine of not more than $5,000, for any person except a producer to violate any provision of the act or of any regulation, governing the acquisition, disposition,

or handling of marketing certificates, or to fail to make any report or keep any record required by section 379h.

This section provides for forfeiture of marketing certificates, in whole or in part as the Secretary may determine, by a producer who knowingly violates any provision of the act or of any regulation governing the acquisition, disposition, or handling of marketing certificates, or who fails to make any report or keep any record required by section 379h. The determination by the Secretary with respect to the amount of such marketing certificates to be forfeited shall take into consideration the seriousness of such act or default.

This section also makes it a felony, subject to a fine of not more than $10,000 or imprisonment for not more than 10 years, or both, to alter, forge, or counterfeit any certificate.

Section 379j—Regulations.—Section 379j of the new subtitle authorizes the Secretary to prescribe such regulations as may be necessary to carry out the wheat marketing allocation program.

Section 325—Price support.—Section 325 of the bill amends the Agricultural Act of 1949, as amended, as follows:

Beginning with the 1963 crop, price support for wheat accompanied by marketing certificates would be at such level between 65 and 90 percent of parity as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b) of the act.

Price support for wheat not accompanied by marketing certificates would be at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

Price support would be made available only to cooperators. If marketing quotas are in effect for the crop of wheat, a cooperator would be a producer who (1) does not knowingly exceed the farm acreage allotment for any commodity on the farm or, except as the Secretary may prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (2) complies with the land-use requirements for wheat. If marketing quotas are not in effect for the crop of wheat, a cooperator would be a producer who does not knowingly exceed the farm acreage allotment for wheat. A producer would not be deemed to have exceeded his farm acreage allotment for wheat if the excess wheat is stored, but he would not be eligible for price support on the excess wheat.

If marketing quotas for any crop of wheat are voted down by producers, price support would be at such level, not to exceed 50 percent of parity, as the Secretary determines, after consideration of the factors in section 401(b) of the act.

If a national marketing quota is not proclaimed, the level of price support would be as presently provided in section 101; namely, not less than 75 nor more than 90 percent of parity.

Section 325 of the bill amends section 407 of the Agricultural Act of 1949, as amended, relating to restrictions on sales by Commodity Credit Corporation, to provide that if a wheat marketing allocation program is in effect, the minimum sales price for wheat will be 105 percent of the support price for wheat accompanied by a certificate, plus carrying charges.

TITLE IV—GENERAL PROVISIONS

Section 401—Farmers' Home Administration loans.—Section 401 amends the Consolidated Farmers Home Administration Act of 1961 by—

(1) Including recreational uses and facilities along with the conservation, development, and utilization of land and water as purposes for which loans may be made or insured by the Secretary for farm owners and tenants under section 304 of existing law;

(2) Including shifts in land use and the development of recreational facilities and sewer systems among the purposes for which planning and other financial assistance may be made to local public and quasi-public nonprofit groups among the purposes for which assistance may be given to such organizations under section 306(a) of the act;

(3) Increasing the aggregate amount of loans to be sold and insured under section 309(f)(1) of the act which the Secretary may make out of the agricultural credit insurance fund and have undisposed of at any one time from $10 to $25 million. The purpose of this change is to accommodate the increased demand of large investors for the assembly of substantial blocks of such loans for purchase from time to time; and

(4) Adding to the purpose for which short-term farm operating loans can be made under section 312 of the act funds for recreational uses and facilities on farms.

Section 402—REA loan account.—Section 402 amends section 3(a) of the Rural Electrification Act of 1936, as amended, which heretofore has constituted the authority for Treasury borrowings by the Administrator as a source of funds for electrification and telephone loans by the Administrator, by substituting therefor the authorization of appropriations for electrification and telephone loans by the Administrator which heretofore has been contained in section 3(b) of the Rural Electrification Act.

Section 402 amends section 3(b) of the Rural Electrification Act of 1936, as amended, which authorizes appropriations for electrification and telephone loans by the Administrator, by substituting therefor the authorization of Treasury borrowings by the Administrator with the approval of the Secretary of Agriculture for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation acts for electrification and telephone loans. The authorization of Treasury borrowings for this purpose is similar to the authorization heretofore contained in section 3(a) of the Rural Electrification Act of 1936. The interest rate on such Treasury borrowings would continue to be as fixed by the Secretary of the Treasury but not in excess of 2 percent. The Secretary of the Treasury would continue to be authorized for the purpose of loans to the Administrator for use, as a public debt transaction, the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended. Redemptions, purchases, and sales of the Administrator's notes by the Secretary of the Treasury would continue to be treated as public debt transactions of the United States.

Section 3(b) of the Rural Electrification Act of 1936 is also amended to establish a "loan account" into which would be merged appro-

priations for loans made under the authority of subsection (a), funds obtained as a result of Treasury borrowings by the Administrator under subsection (b), and the unexpended balances of any funds available for electrification and telephone loans on the effective date of the amendment. Notes to the Administrator and property held by the Administrator as a result of electrification and telephone loans under the act and all collections in connection therwith are to be assets of the "loan account." The notes of the Administrator in connection with Treasury borrowings under the act and all other liabilities against the appropriations or assets in the "loan account" are liabilities of the "loan account." The "loan account" would be available for interest and principal repayments on Treasury borrowings and for electrification and telephone loans under the act in amounts determined by Congress in appropriations acts. The amounts authorized for loans and advances would remain available until expended. The provisions in the existing section 3(a) relating to the use of borrowers' obligations as security for Treasury borrowings are omitted as unnecessary in view of, and as inconsistent with, the establishment of the "loan account."

The committee wishes to emphasize that the funds in the loan account would not be available to the Administrator for loans without current authorization of the Congress. This would not, of course, prevent unobligated current authorizations from being carried forward as now permitted under section 3(e) of the act.

Section 403—Repeal.—Section 403 repeals section 3(f) of the Rural Electrification Act of 1936, which provided for the covering into the Treasury as miscellaneous receipts of all payments on loans made by the Administrator.

Section 404—Separability.—Section 404 contains the usual severability clause applicable to all provisions of the act and preserving the validity of the remaining provisions should any particular provision be held invalid or unconstitutional.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

This title would establish a new agency in the Department of Agriculture to be known as the Agricultural Research and Industrial Use Administration. The new agency would coordinate and expedite efforts to develop new uses for farm products, new crops to replace those in surplus, and additional means of disposal of surplus commodities in Government inventory.

The new agency would be headed by an Administrator under the general direction and supervision of the Secretary, and may hire up to 10 scientists and technicians at rates higher than allowed by the Classification Act. To accomplish the objective of title V of the bill, the new agency would be empowered to—

(1) Utilize existing facilities and authorities;
(2) Make research grants;
(3) Use foreign currencies accumulated under Public Law 480, 83d Congress;
(4) Enter into contracts or cooperative arrangements;
(5) Make incentive payments;
(6) Make Commodity Credit Corporation stocks available;
(7) Provide for private operation of Government facilities;

(8) Assist in the acquisition or expansion of facilities by persons contracting or cooperating in research and development;

(9) Grant exclusive licenses to use patents under the control of the Department of Agriculture; and

(10) Build, maintain, and operate manufacturing facilities.

The authorities granted to the new agency would supplement, particularly with respect to putting research findings to industrial use, the broad powers already available to the Department of Agriculture under the Research and Marketing Act of August 14, 1946, and other statutes. Some new authorities contained in title V are those dealing with grants and incentives for farmers and industry. The new agency would be authorized to make contracts providing for the commercialization, market acceptance, and economic feasibility for use of agricultural products in the competitive market. It would operate Government-owned plants or could contract for their operation privately, and it would subsidize the manufacture of an agricultural product in order to introduce it into the market.

Section 501. Declarations and Findings: Sets forth the declarations and findings of the Congress with respect to the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government. These findings point out the capacity of farms in the United States to produce larger quantities of farm products than can now be marketed at adequate prices; the needs for a prosperous agriculture, maintenance of high productive capacity, basic research in agricultural products and their uses, research to develop new uses and products; and the beneficial effect of such research and development on farm income and the farm program. Subsection (f) declares that public and private research agencies and others should be utilized for an all-out attack on development of new and improved uses and new and extended markets and outlets for farm products and byproducts.

Section 502. Creation of New Agency: Establishes a new agency in the Department of Agriculture known as the Agricultural Research and Industrial Use Administration to carry out the program provided by this title. It would be headed by an Administrator, subject to the general direction and supervision of the Secretary of Agriculture, appointed by the President, with the advice and consent of the Senate, for a 6-year term, with compensation at the rate of $20,000 per annum. The duties of the new agency are to coordinate and expedite efforts to develop through research, new industrial uses, and increased use under existing processes, of agricultural products, as well as to develop new replacement crops and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

Section 503. Scientific and Technical Personnel: Provides for three Deputy Administrators in GS–18 grade, in addition to the positions in that grade now provided for by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)). Grade 18 now provides a salary of $18,500 a year. Ten positions for especially qualified scientific or professional personnel are authorized at rates not to exceed the $19,000 limit established by the act of August 1, 1947, as amended and supplemented (5 U.S.C. 1161–1163). Temporary appointment or contract employment of research, technical, or special services without regard to the civil service laws or Classification Act is also author-

ized in the same manner as provided by section 208 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627).

Section 504. Powers and Duties: Authorizes the new agency to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of its duties, it would have specific authority to (*a*) use existing authority available to the Secretary of Agriculture and facilities of Federal departments and agencies, land-grant institutions, and experiment stations (maximum use of pilot plants, regional laboratories, and other facilities and equipment controlled by the Federal Government being required); (*b*) make grants to State agricultural experiment stations, colleges, universities, and other research institutions, and individuals for periods not to exceed 5 years' duration; (*c*) contract with foreign individuals, organizations, institutions of learning, or private corporations,using foreign currencies accumulated under Public Law 480, 83d Congress, without regard to provisions of law requiring reimbursement from appropriations (thereby adding authority to use such currencies for general agricultural products research and development to the existing authority to use such currencies for market development); (*d*) contract or enter into cooperative arrangements in accordance with sections 10(a) and 205 of the Research and Marketing Act (act of August 14, 1946),[1] with respect to commercialization, market acceptance, the economic feasibility of industrial utilization and other matters; (*e*) extend incentives to farmers or industry to enable the establishment of a new crop or of a new industrial use; (*f*) direct the Commodity Credit Corporation to deliver any of its stocks of commodities for use in research, pilot-plant operation, trial commercialization, export of manufactured products, or new or byproduct uses, the Corporation to bear the handling and delivery charges and receive the consideration, if any, paid; (*g*) contract for the private operation of any property or facility transferred from another Government agency; (*h*) make loans or grants to contractors or cooperators to assist in the acquisition or expansion of facilities and equipment for research or development activities; (*i*) include in all contracts provision for the disposition of inventions produced thereunder in a manner protecting the public interest and the equities of the contractor and not inconsistent with existing provisions of law affecting the issuance or use of patents; (*j*) grant exclusive licenses with or without payment of royalty for a period not to exceed 5 years for the use of patents under the control of the Department of Agriculture; (*k*) make incentive awards to private citizens for suggestions to implement the program; and (*l*) test production procedures on a commercial basis, and acquire, maintain, and operate manufacturing facilities in order to prove the commercial feasibility of volume production.

Section 505. Transfer of Government Plants: Authorizes the transfer to the new agency without regard to any other provision of law, of any Government-owned facility useful in the program (together with

[1] These sections provide for contracts of up to 4 years' duration entered into without advertisement (notwithstanding the requirements of 41 U.S.C. 5). Advance payments could be made without regard to 31 U.S.C. 529.

the funds, personnel, and authority related to such facility) subject to the approval of the Director of the Bureau of the Budget.

Section 506. Definition: Defines the terms "agricultural products" and "farm and forest products" as used in this title to have the same meaning as "agricultural products" in section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626). Section 207 of the 1946 act defines the term to include agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and processed or manufactured product thereof.

Section 507. Annual Report: Requires an annual report by the Administrator to Congress, by January 20 in each year.

Section 508. Savings provision: Emphasizes that the authorities contained in title V are in addition to and not in substitution for authorities otherwise available under existing law.

Section 509. Appropriations: Authorizes the appropriation of such sums as may be necessary to carry out the purposes of title V.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

* * * * * * *

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

AGRICULTURAL CONSERVATION POLICY AND ENUMERATION OF PURPOSES

SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic

consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

[GRANTS TO STATES

[(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

[SUBMISSION OF STATE PLANS

[(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

[REQUIREMENTS OF STATE PLANS

[(d) No such plan shall be approved unless by its terms:

[(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

[(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

[(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

[APPROVAL OF STATE PLANS

[(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

[(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

[(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

[ALLOCATION OF FUNDS FOR STATE PLANS

[(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum

amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

[APPORTIONMENT OF FUNDS FOR SUCCEEDING YEAR STATE PLANS

[(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however*, That any such apportionment of funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approval plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.]

[AUTHORITY OF SECRETARY TO MAKE PAYMENTS OR GRANTS OF AID DIRECTLY TO FARMERS]

SEC. 8. [(a) In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1963, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1962, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1963. During the period prior to

January 1, 1963, the Secretary shall carry out the purposes specified in section 7(a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.]

BASIS FOR PAYMENTS AND GRANTS OF AID; LOCAL, COUNTY, AND STATE COMMITTEES; CONSERVATION MATERIALS AND SERVICES

(b) [Subject to the limitations provided in subsection (a) of this section, the] *The* Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 7(a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land; (3) their equitable share, as determined by the Secretary, of the normal national production of any commodity or commodities required for domestic consumption; or (4) their equitable share, as determined by the Secretary, of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7(a); or (5) any combination of the above. Clauses (1) and (2) above shall be construed to cover water conservation and the beneficial use of water on individual farms, including measures to prevent runoff, the building of check dams and ponds, and providing facilities for applying water to the land. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section in the States of the Union, except Alaska, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided. The Secretary shall designate local administrative areas as units for administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall elect a secretary and may utilize the county agricultural extension agent for

such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committees hereinbefore specified. The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary—shall, as far as practicable, protect the interests of tenants and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right of interest therein; shall, in every practicable manner, protect the interests of small producers; and shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services, to agricultural producers under this subsection, the Secretary may make payments in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services, furnished to producers, or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers, of soil-building or soil-conserving practices approved by the Secretary. The price at which purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materias or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the

Secretary in programs under this Act; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of all expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

* * * * * * *

SEC. 16. * * *

(d) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: *Provided, however*, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(4) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section), who participates in the special agricultural conservation program of 1962 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1962 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1962 on a summer-fallow farm as described in section 105(c)(4) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1962 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1961 crop in effect at the time payment rates for the special feed grain program for 1962 are established, adjusted to reflect any changes

between the national support rates for the 1961 and 1962 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1961 crop in effect at the time payments rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(d). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be ncessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1962, and to pay such costs as may be incurred in carrying out section 133 of the Agricultural Act of 1961.

(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desir-

able to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year.

(f) The Secretary is authorized to use the services, facilities and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs.

(g) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in the special agricultural conservation program of 1963

for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1961, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105(c)(6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to

advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

THE BANKHEAD-JONES FARM TENANT ACT

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SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including *the more economic use of lands and* the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, *enabling local public authorities to provide public recreation,* preserving natural resources, *protecting fish and wildlife,* mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands[, health, safety, and welfare].

SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

[(a) to acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title;]

(b) to protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use;

(c) to sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however,* That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary finds that such exchange would not conflict with the purposes of this title, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies;

(d) with respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable;

(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, *to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor,* to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. *Loans to State and local public agencies shall be made only if such plans have been submitted and not disapproved within 45 days by the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years;*

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of said sections. Any violation of such rules and regulations shall be punished as prescribed in section 104 of Title 18.

THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

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SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire, or with respect to interests in land to be acquired by condemnation provide assurances satisfactory to the Secretary that they will acquire, without cost to the Federal Government, such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance[;] *: Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of*

(a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further: That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds.

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of [the direct identifiable benefits] *national needs and assistance authorized for similiar purposes under other Federal programs,* of the costs of installing any works of improvement, involving Federal assistance (*excluding engineering costs*), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife *or recreational* development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act;

AGRICULTURE TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * * * *

TITLE IV—LONG-TERM SUPPLY CONTRACTS

SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural

commodities for domestic use. *It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: Provided, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped.*

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations, *including financial institutions acting in behalf of such nations,* under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made. *In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement.*

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in [approximately equal] *reasonable* annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, *except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,* and interest shall be computed from the date of such last delivery.

SEC. 404. In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

SEC. 405. [In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.] *In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States.*

SEC. 406. In carrying out this title, the provisions of sections *101 (b) and (c)*, 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.

THE AGRICULTURAL ACT OF 1949

* * * * * * *

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, and wheat, if the supply percentage as of the beginning of the marketing year is:

	The level of support shall be not less than the following percentage of the parity price:
Not more than 102	90
More than 102 but not more than 104	89
More than 104 but not more than 106	88
More than 106 but not more than 108	87
More than 108 but not more than 110	86
More than 110 but not more than 112	85
More than 112 but not more than 114	84
More than 114 but not more than 116	83
More than 116 but not more than 118	82
More than 118 but not more than 120	81
More than 120 but not more than 122	80
More than 122 but not more than 124	79
More than 124 but not more than 126	78
More than 126 but not more than 128	77
More than 128 but not more than 130	76
More than 130	75

* * * * * * *

(d) Notwithstanding the foregoing provisions of this section—

* * * * * * *

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) Repealed.

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

* * * * * * *

(7) Where a State is designated under section 335(e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to cooperators in such State for

such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area.

* * * * * * *

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

(c) Notwithstanding any other provision of law—

(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(2) The Secretary shall require, as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate, that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.

(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain, sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural con-

servation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided*, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided further*, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1962 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1961 which is diverted from the production of wheat under the special 1962 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producer shall participate in the special agricultural conservation program for 1963 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not know-

ingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided further, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

* * * * * * *

SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

(6) if marketing quotas are in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing

excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under the section 335.

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SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided,* That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided, That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a marketing certificate and wheat sold shall be accompanied by a marketing certificate.* The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the

Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855) and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock. Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.

AGRICULTURAL ADJUSTMENT ACT OF 1938

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SEC. 301. * * *

(b) * * *

(13) [(A) "Normal yield" for any county, in the case of corn or wheat, shall be the average yield per acre of corn or wheat for the county during the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and, in the case of wheat, for trends in yields. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years in the case of wheat, or the 5 years in the case of corn, upon which the existing normal yield per acre for the county was based.]

(D) "Normal yield" for any county, in the case of rice *and wheat,* shall be the average yield per acre of rice *or wheat, as the case may be,*

for the county during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

(E) "Normal yield" for any farm, in the case of rice *and wheat*, shall be the average yield per acre of rice *or wheat, as the case may be*, for the farm during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available.

(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such five-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

(G) "Normal yield" for any farm, in the case of corn, [wheat,] cotton, or peanuts, shall be the average yield per acre of corn, [wheat,] cotton, or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions [and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields], during the [ten calendar years in the case of wheat, and] five calendar years [in the case of corn, cotton, or peanuts,] immediately preceding the year in which such normal yield is determined. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

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Part III—Marketing Quotas—Wheat

LEGISLATIVE FINDINGS

Sec. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and

obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

[The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and provide for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions.]

Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in

interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.

[PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS]

NATIONAL MARKETING QUOTA

SEC. 332. [Not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year.]

(a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the avergae amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United

States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

NATIONAL ACREAGE ALLOTMENT

SEC. 333. [The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop and imports, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for any year shall be not less than fifty-five million acres.] *Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 355, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.*

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary

among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage, seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practice: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(c)(1) The allotment to the county shall be apportioned by the Secretary through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-

rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

(1) to which a wheat marketing quota is applicable; and

(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotments beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be

regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.

(e) If, with respect to [any of the 1962, 1963, and 1964 crops] *the 1962 crop* of wheat, the Secretary determines that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demands therefor (but not including export demand involving a subsidy by, or a loss to, the Federal Government), he shall increase the farm marketing quotas and acreage allotments for such crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II), and (2) have produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested. The Secretary shall determine the percentage factor by which the average acreage of durum wheat (class II) produced during the last two-year period for which statistics are available (excluding any increases in durum wheat acreage as a result of increases in wheat acreage allotments authorized by this subsection) must be increased to satisfy such demand. The wheat acreage allotment for any farm established for such crop without regard to this subsection, after reduction in the case of the 1962 crop as required by section 334(c)(2), (hereinafter referred to as the 'original allotment') shall be increased by an acreage computed by multiplying the average acreage of durum wheat (class II) on the farm during such two-year period (excluding any increase in the acreage of durum wheat as a result of an increase in the wheat acreage allotment for the farm authorized by this subsection) by such percentage factor: *Provided*, That such increased allotment shall not exceed the cropland on the farm well suited to wheat. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of an acreage of durum wheat (class II) at least equal to the average acreage of such wheat produced during such two-year period plus the number of acres by which the allotment is increased. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term 'durum wheat' means durum wheat (class II) other than the varieties known as 'Golden Ball' and 'Peliss'. Any farm receiving an increased allotment under this subsection shall not be required as a condition of eligibility for price support, or permitted, to participate in the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961. The Secretary shall give growers and millers of durum wheat and manufacturers of semolina products an opportunity to present their views and recommendations, prior to making any determination hereunder."

(f) Any part of any 1955, 1956, or 1957 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this action. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any 1955, 1956, or 1957 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.

[(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1 in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to seed his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm acreage allotments: *Provided*, That if any producer on a farm obtains a reduction in the storage amount of any previous crop of wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), or by reason of producing less than the normal production of the farm wheat acreage allotments pursuant to section 326(b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established.]

[(h)] (*g*) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered

ineligible for an allotment as a new farm under the second sentence of such subsection.

[(i)] (*h*) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 through 1963 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage. *The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection.* Any provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 [or 1963] crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms.

(*i*) *If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments*

authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provision as a condition of eligibility for price support.

COMMERCIAL AREA

SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation.[1]

[MARKETING QUOTAS

[SEC. 335. (a) Whenever in any calendar year the Secretary determines—

[(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

[(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity.

the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(b) The amount of the national marketing quota for wheat shall be equal to the normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

[1] Compare with section 335(e) of existing law.

[(c) The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

[(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

[(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

[(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 339. Any farmer who stores, in accordance with regulations issued by the Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.

(d) Repealed August 8, 1961.

[(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.

[(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this Act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1958 or any subsequent year on the following conditions:

[(1) That the total wheat acreage on the farm does not exceed 30 acres: *Provided, however,* That this condition shall not apply to farms operated by and as part of State or county institutions or religious or eleemosynary institutions;

[(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services;

[(3) That such entire crop of wheat is used on such farm for seed, human food, or feed for livestock, including poultry, owned by any such producer, or a subsequent owner or operator of the farm; and

[(4) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is

due to circumstances byond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this Act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm and the estimated production from such excess acreage shall not be included in total supply and normal supply in the determination of future marketing quotas and level of price support. No producer exempted under this section shall be eligible to vote in the referendum under section 336 with respect to the next subsequent crop of wheat.]

SMALL FARM EXEMPTION

SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crops of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957–61, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined on the basis of the five-year period 1957–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments.

REFERENDUM

SEC. 336. [Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation

suspend the operation of the national marketing quotas with respect to wheat. Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962, may be conducted not later than August 26, 1961. Notwithstanding any other provision hereof, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1962.] *If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.*

[ADJUSTMENT AND SUSPENSION OF QUOTA

[SEC. 337. (a) If the total supply as proclaimed by the Secretary within forty-five days after the beginning of the marketing year is less than that specified in the proclamation by the Secretary under section 335(a), then the national marketing quota specified in the proclamation under such section shall be increased accordingly.

[(b) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than a normal year's domestic consumption and exports plus 30 per centum thereof, the Secretary shall proclaim such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective.]

TRANSFER OF QUOTAS

SEC. 338. Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

LAND USE

SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm

may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually higher percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payments among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

* * * * * * *

GENERAL ADJUSTMENT OF QUOTAS

SEC. 371. (a) If at any time the Secretary has reason to believe that in the case of [corn, wheat,] cotton, rice, peanuts, or tobacco the operation of farm marketing quotas in effect will cause the amount of such commodity which is free of marketing restrictions to be less than the normal supply for the marketing year for the commodity then current, he shall cause an immediate investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall proclaim the same forthwith. He shall also in such proclamation specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make the amount of such commodity which is free of marketing restrictions equal the normal supply.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, [any national acreage allotment for corn or] any national marketing quota or acreage allotment for [wheat,] cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary [in order to effect the declared policy of this Act or] to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota or allotment shall be increased, or shall terminate, as the case may be.

(c) In case any national marketing quota or acreage allotment for any commodity is increased under this section, each farm marketing quota or acreage allotment for the commodity shall be increased in the same ratio.

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Subtitle D—Wheat Marketing Allocation

LEGISLATIVE FINDINGS

Sec. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

WHEAT MARKETING ALLOCATION

Sec. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

MARKETING CERTIFICATES

Sec. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition

to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

MARKETING RESTRICTIONS

SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of

wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire export marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

CONVERSION FACTORS

SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

AUTHORITY TO FACILITATE TRANSITION

SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

REPORTS AND RECORDS

SEC. 379h. This section shall apply to warehousemen, processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

PENALTIES

SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of mraketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

REGULATIONS

SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.

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SUBTITLE [D]*E*—RICE CERTIFICATES

LEGISLATIVE FINDINGS

SEC. 380a. to SEC. 380p. Applicable only to 1956, 1957 and 1958 crops of rice.

SUBTITLE [E]*F*—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

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FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, parity payment, *payment under section 339* loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provided by regulations.

SEC. 386. The provisions of section 3741 of the Revised Statutes (U.S.C., 1934 edition, title 41, sec. 22) and sections 114 and 115 of the Criminal Code of the United States (U.S.C., 1934 edition, title 18, secs. 204 and 205) [now 18 U.S.C. 431 and 432] shall not be applicable to loans or payments made under this Act (except under section 383(a)).

PUBLIC LAW 74, 77TH CONGRESS

That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

[(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage

planted to corn on the farm which is in excess of the farm acreage allotment for corn.

[The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.]

(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretaty shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

(2) [During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.] *Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.*

(3) The farm marketing excess for [corn and] wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon *twice* the normal [produc-

tion of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than *twice* the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of *twice the* normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any [corn or] wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of [corn or] wheat, the entire crop of [corn or] wheat [, as the case may be,] produced on the farm *and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest* shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon [corn or] wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of [corn or] wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also the wheat.

[(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1962 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.]

[(8)] (7) Until the farm marketing excess of [corn or] wheat [, as the case may be,] is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be

paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. *If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.*

[(9)] (*8*) (Not applicable to wheat.)

[(10)] (*9*) (Applicable only through the 1946 crop.)

[(11)] (*10*) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301(b)(6), 323(b), or 335(d) of the Act.

[(12) Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.]

(*11*) *The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.*

(*12*) *If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.*

THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Subtitle A—Real Estate Loans

* * * * * * *

Sec. 304. Loans may also be made or insured under the subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only if land and water development, use and conservation, *including recreational uses and facilities.*

* * * * * * *

Sec. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, *shifts in land use including the development of recreational facilities,* the conservation, development, use, and control of water and the installation or im-

provement of drainage *or sewer* facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed $500,000 in the case of direct loans and $1,000,000 in the case of insured loans at any one time.

* * * * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least

equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed [$10,000,000] *$25,000,000* at any one time.

* * * * * * *

SUBTITLE B—OPERATING LOANS

* * * * * * *

SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation *including recreational uses and facilities*, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

RURAL ELECTRIFICATION ACT OF 1936

* * * * * * *

SEC. 3. [(a) The Secretary of the Treasury is hereby authorized and directed to make loans to the Administrator, upon the request and approval of the Secretary of Agriculture, in such amounts in the aggregate for each fiscal year commencing with the fiscal year ending June 30, 1948, as the Congress may from time to time determine to be necessary, either without interest or at such rate of interest per annum, not in excess of the rate provided for in sections 4 and 5 of this Act, as the Secretary of the Treasury may determine, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of the Act or from the Administrator of the Rural Electrification Administration established by Executive Order Numbered 7037. Interest rates on the unpaid balance of any loans made by the Reconstruction Finance Corporation to the Administrator prior to July 1, 1947, shall be adjusted to the interest rate, if any, established for loans made after June 30, 1947, in accordance with the foregoing provision: *Provided*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems and for the purpose of financing the improvement, expansion, construction, acquisition, and operation of facilities to render telephone service shall be fully amortized over a period not to exceed thirty-five years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more

than five years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Secretary of the Treasury of all such obligations, and to execute such trust instruments as shall be agreed upon by the Administrator and the Secretary of the Treasury providing for the holding in trust by the Administrator of all such obligations for the Secretary of the Treasury as security for loans to the Administrator heretofore made by the Reconstruction Finance Corporation or made or to be made by the Secretary of the Treasury. All rights, interest, obligations, and duties of the Reconstruction Finance Corporation arising out of loans made or authorized to be made to the Administrator are, as of the close of June 30, 1947, vested in the Secretary of the Treasury; the Reconstruction Finance Corporation is authorized and directed to transfer, as of the close of June 30, 1947, to the Secretary of the Treasury and the Secretary of the Treasury is authorized and directed to receive all loans outstanding on that date, plus accrued unpaid interest, theretofore made to the Administrator under the provisions of this Act, and all notes and other evidences thereof and all obligations constituting the security therefor. The Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the unpaid principal of the loans so transferred, plus accrued unpaid interest through June 30, 1947. Subsequent to June 30, 1947, the Reconstruction Finance Corporation shall make no further loans or advances to the Administrator; and the Secretary of the Treasury is hereby authorized and directed, in lieu of the Reconstruction Finance Corporation, to lend or advance to the Administrator, in accordance with the provisions of this subsection (3)(a), any unobligated or unadvanced balances of the sums which the Reconstruction Finance Corporation has theretofore been authorized and directed to lend to the Administrator. For the purpose of making loans or advances pursuant to this section, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such loans or advances to the Administrator. Repayments to the Secretary of the Treasury on such loans or advances shall be treated as a public-debt transaction of the United States.

[(b) There are hereby authorized to be appropriated such sums as the Congress may from time to time determine to be necessary for the purposes of this Act as hereinafter provided.] *(a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.*

(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate

fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item "Rural Electrification Administration", in the Department of Agriculture appropriation Acts current on such date of enactment shall be merged into a single account hereafter in this section called the "loan account". All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended.

(c) Twenty-five per centum of the annual sums herein made available or appropriated for loans for rural electrification pursuant to sections 4 and 5 of this title shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central station electric service bears to the total number of farms of the United States not then receiving such service: Provided, That if any part of such sums are not loaned or obligated during the first six months of the fiscal year for which they are made available, such part shall thereafter be available for loans by the Administrator without allotment: Provided, however, That not more than 25 per centum of said sums may be employed in any one State or in all of the Territories. The Administrator shall within ninety days after the beginning of each fiscal year determine for each State and for the United States the number of farms not then receiving such service.

(d) The remaining 75 per centum of such annual sums shall be available for rural electrification loans in the several States and in the Territories, without allotment as hereinabove provided in such

amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this Act, and to carry out the provisions of section 7: Provided, however, That not more than 25 per centum of said unallotted annual sums may be employed in any one State, or in all of the Territories.

(e) If any part of the annual sums made available for the purposes of this Act are not loaned or obligated during the fiscal year for which they are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years without allotment: Provided, however, That not more than 25 per centum of said sums for rural electrification loans may be employed in any one State or in all of the Territories.

[(f) All money representing payments of principal and interest on loans made by the Administrator shall be paid to the Secretary of the Treasury in payment of loans made to the Administrator by the Reconstruction Finance Corporation or the Secretary of the Treasury; upon the payment of such loans all moneys representing payments of principal and interest on loans made by the Administrator shall be covered into the Treasury as miscellaneous receipts.]

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

[Report No. 1787]

IN THE SENATE OF THE UNITED STATES

JULY 20, 1962
Received and read the first time

JULY 23, 1962
Read the second time and referred to the Committee on Agriculture and Forestry, with instruction

JULY 25, 1962
Reported by Mr. ELLENDER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~That this Act may be cited as the "Food and Agriculture Act of 1962".~~

TITLE I—LAND USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(c) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (in-

cluding crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided*, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Pro-*

vided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build

industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended by amending subsection (c) thereof to read as follows:

"(c) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity.

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such

works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for

anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connec-

tion with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan

and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and

related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private

trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows:

"In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-

lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "90" and inserting "80" and by striking out the colon and the proviso thereof and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided,* That no producer of malting barley shall be required to participate in such special agricultural

conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to desig-

nated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on

the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield

per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105 (c) (6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g) (1), barley shall not be included in the program for

a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains

and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334 (c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each

old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production

of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual pro-

duction shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller

of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(c) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for

the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted

acreage, subject to the provisions of subsection (b) (1) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959,

~~1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.~~

~~(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section.~~

~~(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments~~

in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment in kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be

at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a),

and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation pro-

~~gram or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.~~

~~(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.~~

~~(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.~~

~~(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.~~

~~(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.~~

~~(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.~~

~~(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.~~

~~(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—~~

~~(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(e)(2)" and inserting the following: "after reduction as required by section 334(e) (2) or (3)", and~~

~~(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".~~

~~(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—~~

~~(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special~~

wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

SUBTITLE C—DAIRY

SEC. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree

to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings

below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit

Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history un-

der any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal

marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and

determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inseritng in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities";

(3) By striking out in section 309(f)(1) the

~~figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and~~

~~(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".~~

~~SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.~~

That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards

to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which

would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams

and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the

Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to,

and use of such reservoir or other area for such purposes: Provided further, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said

Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: Provided, That agreements with the private trade shall

be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

(3) Section 403 is amended—

(a) by deleting the words "approximately

equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

SEC. 301. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the

Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producer shall participate in the special agricultural conservation program for 1963 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided, That no producer of malting barley shall be required to participate in

the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided further, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provisions of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in the special agricultural conservation program of 1963 for corn and grain sorghums must not knowingly devote an

acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105(c)(6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is

greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage

and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among

producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or

other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—WHEAT

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in

interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for

human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive; an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or

because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"*NATIONAL ACREAGE ALLOTMENT*

"*SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the*

Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of sub-

section (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph

(6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"*SMALL FARM EXEMPTION*

"*SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957–1961, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957–1961, reduced by the same percentage by which the*

national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclama-

tion is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938,

as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a)(1) *During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is*

reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the

previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the

total acreage of cropland on the farm devoted to soil-conserving uses, including summar fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable

regulations to avoid or postpone payment of the penalty: And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration

the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of

section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any

acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) by amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of

May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred

by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any

of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. *379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that*

marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) *The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing cer-*

tificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire

amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"MARKETING RESTRICTIONS

"SEC. 379. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certifi-

cates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used

to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount de-

termined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall

take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than

65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

"(6) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided, That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities.";

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities,"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. Subsections (a) and (b) of section 3 of the

Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase

of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration', in the Department of Agriculture appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Money in the loan account shall also

be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

SEC. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

SEC. 404. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

DECLARATIONS AND FINDINGS

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber, by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant

colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and by-products. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and by-products will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

AGRICULTURAL RESEARCH AND INDUSTRIAL USE ADMINISTRATION

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

SALARIES

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS–18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for

not more than ten positions which require the services of especially qualified scientific or professional personnel: Provided, That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

POWERS AND DUTIES

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agri-

culture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry

to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(1) Provide in all contracts for the disposition of inven-

tions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: Provided, however, That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

TRANSFER OF GOVERNMENT PLANTS

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is au-

thorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: Provided, That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

DEFINITION OF "AGRICULTURAL PRODUCTS"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

ANNUAL REPORT

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

SAVINGS PROVISION

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Passed the House of Representatives July 19, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

[Report No. 1787]

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

JULY 20, 1962
Received and read the first time

JULY 23, 1962
Read the second time and referred to the Committee on Agriculture and Forestry, with instruction

JULY 25, 1962
Reported with an amendment

Daily Digest

HIGHLIGHTS

Senate passed 27 measures on calendar call and heard addresses in memory of the late Senator Case (South Dakota).

House passed equal pay bill, Agriculture Department appropriations, and adopted conference report on Treasury-Post Office appropriations.

Senate

Chamber Action

Routine Proceedings, pages 13643–13683

Bills Introduced: Six bills and three resolutions were introduced, as follows: S. 3565–3570; S.J. Res. 211; and S. Res. 366–367. Page 13654

Bills Reported: Reports were made as follows:

S. Res. 361, authorizing a study by the Committee on Interior and Insular Affairs of the disposition of revenues from natural resources from Federal lands within State boundaries (S. Rept. 1783);

Report of Committee on Government Operations entitled "James R. Hoffa and Continued Underworld Control of New York Teamster Local 239" (S. Rept. 1784);

H.R. 10651, to increase fees which may be collected by U.S. marshals, with amendment (S. Rept. 1785);

S. 594, authorizing construction and operation of the Crater-Long Lakes division of the Snettisham project, Alaska, with amendments (S. Rept. 1786);

H.R. 12391, proposed Food and Agriculture Act of 1962, with amendment (S. Rept. 1787); and

S. 3340, relating to the purchase and installation of air-conditioning equipment in Government buildings in the D.C., with amendment (S. Rept. 1788).

Pages 13645–13646

Depository Libraries: H.R. 8141, to revise the laws relating to depository libraries, was cleared for President when Senate agreed to House amendment to Senate amendment No. 26 (respecting measures to be taken for economical and practical implementation of the legislation). Page 13683

Funeral of Senator Dworshak: President pro tempore announced appointment of Senators to attend the funeral of the late Senator Dworshak. Page 13644

Tariff: H.R. 7431, free entry of stained glass for certain churches, was passed after adoption of an amendment by Senator Mansfield to allow free entry of certain stained glass for synagogue being constructed for the Congregation B'Nai Israel, Woonsocket, R.I., and an amendment by Senator Dirksen to allow free entry for a set of musical handbells for the Court Street Methodist Church, Rockford, Ill. Motion to reconsider passage of this bill was tabled. Pages 13697–13698

Flood Disasters: Senate passed with committee amendment S. 3066, authorizing a study by the Housing and Home Finance Agency of methods to provide financial assistance to victims of flood disasters. Pages 13699–13700

Senator Case (South Dakota): S. Res. 366, providing for memorial addresses on the life, character, and public service of the late Senator Case (South Dakota), was adopted, following which, pursuant to the terms of the resolution, numerous Senators made addresses in memory of Senator Case. Pages 13701–13716

Calendar Call: On call of calendar, 27 measures, of which 16 were private, were passed as follows:

Without amendment and cleared for President:

Courts: H.R. 10184, to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.;

Marine Corps: H.R. 9522, authorizing payment for dependents of certain marines who incurred losses pursuant to the cancellation of a permanent change-of-station movement;

Terminus Dam, Calif.: H.J. Res. 417, designating the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah;

Capitol construction: H.R. 8214, permitting use of certain construction tools actuated by explosives in construction work on the U.S. Capitol Grounds;

Flood control: H.R. 11735, changing the name of the Beardstown flood-control project, Illinois River, to the Sid Simpson flood-control project; and

Private bills: 10 private bills—H.R. 2129, 2664, 3000, 3501, 3821, 4718, 6833, 9186, 10525, and 11127.

Without amendment and cleared for House:

Old River, La.: S. 2546, to name the Old River, La., structures in honor of the late Capt. A. A. Humphreys and Lt. H. L. Abbot;

Hap Hawkins Lake: S. 2660, to designate the lake to be formed by waters impounded by the Clark Canyon Dam, Mont., as Hap Hawkins Lake;

Big Ben Reservoir: S. 2988, changing the name of the Big Bend Reservoir, S. Dak., to Lake Sharpe;

Supreme Court Building: S. 3441, acquiring certain D.C. property as an addition to grounds of the U.S. Supreme Court Building;

Fort Randall Reservoir: S. 3476, changing the name of Fort Randall Reservoir, S. Dak., to Lake Francis Case;

Tennessee River bridge: S.J. Res. 169, designating the bridge across the Tennessee River on the Natchez Trace Parkway as the John Coffee Memorial Bridge; and

Private measures: Three private measures: S. Con. Res. 86, S. 1781, and 3295.

With amendment and cleared for House:

Private bills: Three private bills: S. 3198, 3215, and 3228. Pages 13724–13727

Laborers and Mechanics: H.R. 10786, to provide a 40-hour workweek on Government construction contract work, was passed without amendment and cleared for President (motion to reconsider tabled).

Pages 13727–13729

Study of Natural Resources Revenues: Senate adopted S. Res. 361, authorizing a study by the Committee on Interior and Insular Affairs of the disposition of revenues from natural resources from Federal lands within State boundaries. Pages 13729–13730

Tariff: H.R. 9520, to continue for 2 years the suspension of duty on certain alumina and bauxite, was passed without amendment. This action cleared the bill for the President. Pages 13724, 13727, 13730–13731

Communications Satellite: Senate debated Mansfield motion to return to consideration of H.R. 11040, to provide for the establishment, ownership, operation, and regulation of a commercial satellite system (see p. D512, DAILY DIGEST of June 23), but the motion was displaced when Senate adjourned without taking action thereon.

Page 13733

Private Bills: Three private bills, as follows, were cleared for President when Senate concurred in House amendments thereto: S. 2339, 1074, and 1889.

Page 13741

Confirmations: Two judicial nominations were confirmed. Page 13758

Nominations: The following nominations were received: Gen. Maxwell D. Taylor, U.S. Army, to be Chairman of the Joint Chiefs of Staff; Gen. Earle G. Wheeler, U.S. Army, to be Chief of Staff, U.S. Army; one judicial; and the withdrawal of one judicial nomination. Page 13758

Program for Thursday: Senate met at noon and adjourned at 6:57 p.m. until 11 a.m. Thursday, July 26. There is no pending or unfinished business.

Pages 13731, 13758

Committee Meetings

(*Committees not listed did not meet*)

FARM BILL, AND NOMINATION

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with an amendment in the nature of a substitute bill H.R. 12391, proposed Food and Agriculture Act of 1962. As approved by the committee, the bill would (1) contain provisions for land-use adjustments, (2) provide amendments to P.L. 480 (Agricultural Trade Development and Assistance Act), (3) extend for 1 year special feed grain program, (4) provide a permanent certificate program for wheat, (5) include amendments on agricultural credit, and (6) provide a research program on industrial uses of agricultural commodities.

The bill, as approved, is identical with the bill reported by the committee on April 27, 1962, with the exception of the wheat provisions.

Committee also approved the nomination of John A. Baker, of Virginia, to be an Assistant Secretary of Agriculture, and a member of the Board of Directors of the Commodity Credit Corporation.

APPROPRIATIONS—COMMERCE

Committee on Appropriations: Subcommittee continued its hearings on fiscal 1963 appropriations for the Department of Commerce, and related agencies, receiving testimony in behalf of funds for their respective departments from the following Commerce Department officials, who were accompanied by their associates: Rear Adm. H. Arnold Karo, Director, Coast and Geodetic Survey; Rex M. Whitton, Federal Highway Administrator; and Donald W. Alexander, Maritime Administrator.

Hearings continue tomorrow.

APPROPRIATIONS—D.C.

Committee on Appropriations: Subcommittee continued its hearings on H.R. 12276, fiscal 1963 appropriations for the District of Columbia, with testimony on funds for D.C. public schools from Wesley S. Williams, President, Board of Education; Dr. Carl F. Hansen, Superintendent of Schools; Richard Foster, Assistant Superintendent of Schools; and Granville Woodson, Board of Education, all of the D.C. government.

Hearings continue tomorrow.

Fifth. Placing the cost of a medical care program for the aged upon employers, employees, and self-employed persons is unfair to them. Moreover, such a system for financing such program has a tendency to disable American industry to meet foreign competition, and imperils the existence of the social security system itself. For these reasons, the cost of such a program ought to be spread throughout the entire economy through general taxation.

Let us remember that the social security taxes imposed upon American industry are payable by such industry regardless of whether it is operating at a loss or a profit. In this respect, such taxes are unlike income taxes, which are payable only out of net profits. Social security taxes payable by employer and employee are imposed upon payrolls and are not subject to any deductions whatsoever. Moreover, social security taxes imposed upon self-employed persons are imposed upon their net earnings and are not subject to any deductions for dependents and the like.

The Anderson-Javits amendment would increase social security taxes upon employer and employee by one-half of 1 percent, and upon self-employed persons by three-eighths of 1 percent. Moreover, they would increase the amount of wages and earnings subject to such taxes from a maximum of $4,800 to a maximum of $5,200.

Let us consider for a moment the impact of social security taxes upon the earnings of an individual totaling $5,200.

If the Anderson-Javits amendment were to become law, the combined social security taxes of an employer and employee would amount to 9¾ percent of the covered payroll beginning on January 1, 1968, and the social security taxes of a self-employed person would amount to 7.275 percent of his net earnings beginning on that date. While the combined social security tax of employers and employees is paid by them on a 50–50 basis, a self-employed person pays his social security taxes alone. If the Anderson-Javits amendment were enacted, an employer and employee would have to pay $507 annually in social security taxes upon compensation for work totaling $5,200 beginning on January 1, 1968, and a self-employed person would have to pay social security taxes totaling $378.30 annually upon net earnings totaling $5,200 beginning on that date. Such payments would have to be made each and every year until the employee or self-employed person attained the age of 65 years before such employee or self-employed person would be entitled to receive any medical aid whatsoever under the Anderson-Javits amendment. The injustice of financing a medical care program for the aged by social security taxes is made manifest by the fact that an employee or a self-employed person with a wife and half a dozen or a dozen children who earned as much as the maximum of $5,200 would pay exactly the same amount in social security taxes as a bachelor with an income of $10,000 or $100,000, or $1,000,000.

There is such a thing as killing the goose which lays the golden egg. We are rapidly approaching the point where we are endangering the entire social security system by piling one tax after another upon earnings and payrolls. The social security taxes of an employee and a self-employed person are only a part of the taxes which such persons pay upon their earnings. In addition to social security taxes, they pay income taxes which take 20 percent and upward of all their net earnings above exceedingly small exemptions. In addition to paying social security taxes upon the payrolls of their employees, employers pay unemployment compensation taxes upon such payrolls for the benefit of their employees, and income taxes which, in a great majority of cases, amount to 52 percent of all their profits.

All of these taxes are imposed essentially upon the same sources of taxation; namely, payrolls and earnings.

At the present time, American industry is finding it extremely hard both at home and abroad to compete with products manufactured in foreign countries where labor and other production costs are comparatively small. While the boast is often made that American exports of tangible goods exceeds imports, this is in reality true only because the United States is exporting several billions of dollars' worth of American products as virtual gifts under its foreign aid program and under Public Law 480.

Increases in social security taxes inevitably increase the cost of production of American goods and further impair the capacity of American industries to compete with foreign manufacturers causing the loss of American jobs at home and the loss of American markets both at home and abroad.

The statement that financing a program of medical care for the aged by social security taxes threatens the social security system itself is borne out by the fact that former Secretary Ribicoff has admitted that he thinks the maximum social security tax which can be imposed upon payrolls is a 10-percent tax. If the Anderson-Javits amendment were enacted, we would be within only one-fourth of 1 percent of this maximum.

Competent students of the problem are convinced that the increase in social security taxes specified in the Anderson-Javits amendment are grossly inadequate even to finance the limited program which the amendment envisions, and that the enactment of such amendment by Congress would necessitate a vast increase in such taxes.

Sixth. The Anderson-Javits amendment proposes a drastic change in the concept which underlies the entire social security system.

The social security system was founded upon the concept that when they become eligible for social security benefits, the persons paying social security taxes should be permitted to receive the benefits of the system in cash, and use such cash for their own purposes uncontrolled in any way by any Federal bureaucracy. The Anderson-Javits amendment would change this concept so as to provide that the Department of Health, Education, and Welfare would manage and disburse a portion of social security taxes to defray the cost of a program in which those paying social security taxes would have no voice. It would thus set a precedent for further inroads upon social security taxes by those bent upon making the Federal Government the master of the American people.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1544, H.R. 11040.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

SENATE COMMITTEE FARM BILL POINTS WAY TO REASONABLE FARM SOLUTION

Mr. PROXMIRE. Mr. President, this morning the Senate Committee on Agriculture and Forestry acted on the farm bill which was referred to the Senate Committee on Agriculture and Forestry earlier this week. In doing so, I thought the committee acted very wisely.

First, the Senate Committee on Agriculture and Forestry did not substitute the bill that passed the Senate on May 25, before the House bill was acted upon. Instead, the committee approved the bill reported by the Senate Agriculture Committee, last April providing for a voluntary retirement program for feed grains. So the bill provides for voluntary feed grain retirements, but the Senate committee modified the bill to insert the permanent wheat program which the administration requested. This is the bill that will be before the Senate next week: voluntary feed grains program plus permanent wheat legislation.

KEY FACT IS LOW FARM INCOME

I fervently hope that Senators will give the measure as it was reported from the Senate Committee on Agriculture and Forestry very careful consideration. I make that statement because I feel very strongly that the No. 1 economic problem facing America today—certainly the No. 1 economic injustice in America today—is low farm income. Farm income is much too low, by any reckoning. All Senators should know and recognize that fact. It should be reflected in the farm legislation that we pass.

The fact is—and it cannot be emphasized too often—that farm income in America per capita is less than half of the income off the farm. Farmers work long hours, have a large investment in their farm, and take a very substantial risk. While farmers have greatly increased their efficiency—in fact, farmers have increased their efficiency three times as rapidly in the last 15 years as people off the farm have—nevertheless, their income is substantially less, as I have said, than those off the farm.

The most graphic statistic is the fact that in Wisconsin, where we are proud of the efficiency of our dairy industry, the average farmer—not on the marginal farm—has an investment of $40,000 in his farm. He has up-to-date equipment. This farmer has an income that averages approximately 60 cents an hour. That is a disgrace, but it is typical.

Earlier this year I had printed in the RECORD statistics on dairy farmers not only in Wisconsin, but in Vermont, New York, Pennsylvania, Michigan, Minnesota, Iowa, and Illinois, and I showed that that figure of income, which is far less than the minimum wage for our farmers, is standard throughout the north and northeastern part of our country.

SENATE COMMITTEE RIGHT TO REJECT MANDATORY FEED GRAINS PLAN

There are several reasons why it would be a tragic mistake for the Senate to reverse the action of the Senate Committee on Agriculture and Forestry by going back to the administration provision for feed grains. Last spring, when the bill came from the Committee on Agriculture and Forestry with a voluntary provision in it, the Senate reversed the committee at the urging of the administration and provided for a mandatory program.

The mandatory program would be a very serious mistake, for many reasons. I should like to state three very quickly.

The first reason why it would be a serious error is that the administration's program would require a referendum befoe it would go into effect. If the referendum should pass, the program would go into effect. If the referendum should fail, price supports would be extremely low or nonexistent and there would be no limitations whatsoever on production. There would be no voluntary retirement program, production would be very high, and the surplus appalling.

Under those circumstances every farm economist that I know and every farm organization, including the Farm Bureau, the Farmers Union, and the Grange, all agree that we would have a disastrous farm situation. We would have a situation in which we would have great overproduction of feed grains. We would have a situation in which there would be very low farm income. We would have 9-cent-a-pound hogs. We would have very low prices for beef, and a greater-than-ever dairy surplus. We would have excessively low prices for what the feed grain farmer himself sells. Farm income would drop far lower than it is today. Everyone recognizes that the situation would be bad.

NO EVIDENCE THAT REFERENDUM WOULD WIN

Although those of us who opposed the administration's feed grain program persistently asked the administration to indicate why they thought the referendum should pass, they have failed to come forth with the data or documentation to indicate that two-thirds of the Nation's feed grain producers would vote for such a program. All the evidence is to the contrary. Every pollster, every economist, every farm expert who has commented on the situation agreed that farmers would vote overwhelmingly against the referendum.

It has been said by some Senators and others that if farmers voted "no" in the referendum, they would deserve to have their income drop sharply, and that their income should drop sharply; that farmers who are unwilling to submit to controls should not get any price supports.

This is a very shortsighted and unfair view. The farmers who would be voting in the referendum would be in very large number farmers who have nothing to gain from the program. The majority of the farmers who grow feed grain do not sell a nickel's worth of the feed grain off the farm. They feed it on the farms to hogs, to cattle, and to cows. Under those circumstances many of those farmers would have no incentive whatever to vote for this kind of program. It would be exceedingly unfair to commercial feed grain farmers to say that if the referendum does not carry by a two-thirds vote they will not have a program, because the commercial feed grain farmers will be heavily outnumbered by farmers who are very likely to vote "no."

I said this last spring. On May 17 I made a long speech on this point in the Senate. Many Senators said it last spring. It was reiterated by responsible and competent professional pollsters, among them Sam Lubell, who conducted a very careful survey in many States in the farm areas, and he came to the conclusion that there was not a chance that the program would pass; and the great likelihood is that it would not even receive a majority vote, let alone a two-thirds vote.

POSSIBLE FARM-LED DEPRESSION

Therefore, the first great difficulty in the administration's feed grain program is that there is a very strong likelihood that the referendum will not pass; that not even a majority of farmers—let alone two-thirds of them—would vote "aye" in the referendum. The result would be that there would be no program, and with the further result that there would be huge over-production; in short, we would have a situation which would be chaotic for farmers and exceedingly costly over the long run for the Government, and which would be most unfortunate for people off the farm, because of the fact that our depressions in the past have often been farm led and farm fed.

If we have this kind of disastrous situation it will mean that those who work in factories—whether steel factories or farm implement factories, automobile factories or any other kind of plants—will find their jobs dwindle and disappear, and they will be adversely affected.

Therefore, the referendum provision in the administration feed grain bill is the No. 1 barrier to the achievement of higher farm income. I hope that when the vote comes on this issue in the Senate a week from today, or shortly after that, Senators who voted in favor of the administration's feed-grain program last time will satisfy themselves on this particular issue. I am sure that no Senator will want to risk the chance of having no program, and having chaos on the farms, and, in addition, a mess that will take years to clear up, not to mention the torpedoing of our whole economic outlook.

Whatever benefits we might achieve from a tax cut, assuming there is a tax cut, would be more than wiped out if this kind of proposal should pass the Senate; and if one-third plus one of the farmers should vote against the referendum, we would have no feed grain program at all.

POSSIBILITY OF NO CONFERENCE

In the second place, I hope Senators will reconsider the action they took last spring in voting for the administration's feed grain proposal, because the agricultural leaders in the House who approved the House bill have stated that they will not go to conference if the Senate bill is attached to the House bill and sent over to them. They have indicated that in that case there will be no bill.

I am not one who thinks we should bow to the House. Nevertheless, we must recognize that under these circumstances the real sufferers would not be the House or the Senate, but the American farmers. Under these circumstances, we would not have a farm program, and we would go back to the 1958 program, which, virtually everyone agrees, was disastrous. Under those circumstances the effect on the farmer would be adverse, it would cause his income to drop, and the effect on the taxpayers would be extremely bad.. Everyone agrees that this would be worse than the administration program of last year, that it would cost from a half billion dollars to a billion dollars more than the program of last year, and that it would be most unfair.

This is a new situation that we did not have last spring when we voted on the administration's bill. We now have a situation in which we will be called upon to decide in this vote whether we will have any kind of farm program or whether we will have nothing.

COULD MEAN NO FARM BILL

If the Senate approves an amendment to the committee bill to insert a mandatory feed grains program there is a strong possibility that we will not have a farm program. To prevent this, the Senate should approve the voluntary feed grains program, which Secretary Freeman recommended last year and which the Senate passed last year. It is a program which, I will point out, has many advantages.

The third reason why we should sustain the Senate committee is that the voluntary retirement program which is in the Senate bill does work. First, it has cut Government costs. It has cut them substantially. The fact is that payments are in kind out of the surplus. It has been said that the program has cost a substantial amount of money. However, it must be remembered that those are not the real costs, but merely bookkeeping costs. The real costs are far less, as we pay farmers not in cash but in kind out of surpluses for reducing their acreage.

DOES REDUCE COSTS

Of course, in doing this we reduce the size of the surplus and we reduce the interest costs and we reduce the storage costs of the surplus, and we also reduce the burden on the American taxpayers. This makes sense.

Furthermore, the argument is going to be made that we cannot continue to permit corn to remain alone, among the basic commodities, as a commodity, which has no controls but does have price supports. The answer is, of course, that corn has been in this situation traditionally, and for a good reason. The reason is that the farmers who produce feed grain do not sell their feed grain, but feed it on the farm. Only 40 percent of our feed grains crop is sold in a marketplace.

Furthermore, the facts show, and show very clearly, that the cost of the feed grains program in terms of the value of marketings has been far less than the cotton program and has been substantially less than the wheat program, and has been an economical program as compared with the rest of the farm programs as a whole. As a matter of fact, the cost of the feed grains program has been 5 percent of the value of the marketings in the past 8 years; whereas the cost of the wheat program has been 12 percent, and the cost of the cotton program 8 percent.

This is an economical program. It is working. I can see no reason, under these circumstances, for our eliminating the program and walking away from it.

In the second place, the program has not only reduced the costs, but it has also increased farm income. This must be the essence of any farm program, and it must be the No. 1 test. This must be 95 percent of the criterion of any farm program which is passed, namely, that it increases farm income. That is the question, Mr. President: Does it increase farm income? That is the criterion.

There are those who say that the cost of the farm program has become too excessive. Let us relate that argument to the real cost to the American taxpayer-consumer. If we do that, I believe we can show that the cost of the farm program has not been excessive at all. It has not been excessive by any measurement. As I have said, the cost of the feed grain program is 5 percent of the value of the marketings. Therefore, if we add 5 percent to the price that people pay for the products of feed grain, we can get some conception of what the cost of this program has really been to the taxpayer-consumer of America.

FEED GRAIN SUPPORTS COST 2 PERCENT OF PRODUCTS VALUE

Experts say that if we relate the cost of the feed grain program, not simply to the value of the marketings, but to the value of the marketings of the final feed grain product—that is, the hogs, or the pork, and the beef or the milk—we can see that the cost of this program has been only about 2 percent.

Mr. President, the No. 1 bargain in America is food. Every other element in the cost of living went up last year, except food. Food went down. It is true that over the past 20 or 25 years the cost of food, like the cost of everything else, has gone up, but food has gone up far less than other elements in the cost of living. The farmer is, in fact, subsidizing the consumer in America. He is getting far less in return for his work than do people off the farm. He has increased his efficiency. On the basis of any kind of economic analysis, it seems to me to be clear that the farmer is producing more than he is receiving.

Under those circumstances, to argue that the farmer is a burden on the taxpayer, or that the whole farm program, when it is related to the tremendous advantages which American consumers get from low-cost food, is a burden on the taxpayer, does not make sense and does not add up.

In this connection, I should like to add one more element. The best way to assess the value of food is to relate it to real costs, because the dollar is diminishing in value. Wages are rising rapidly, and it is hard to get a proper evaluation of the cost of food simply by using the dollar cost. I think it is much better to relate it to the hours of work that it takes to buy a particular farm commodity—to buy a quart of milk, to buy a loaf of bread, to buy vegetables, or to buy meat. If we do that, we will find that in the past 30 years the real cost of food has dropped to less than half of what it was 30 years ago in this country. That is another way in which the farmer is providing a subsidy to people off the farm.

FOOD IS A BARGAIN

Furthermore, if we realize that America offers the best bargain for the consumer of any country in the world, I think we can see another way in which farm production and farm efficiency are benefiting the consumer.

The fact is that in terms of the hours of work required to buy a loaf of bread, a glass of milk, or a pound of beefsteak, the American consumer is far ahead of the consumers in England, France, or West Germany, and four times as far ahead as the consumers in Russia.

There is no question that the cost of the farm program, if we include both the cost of food and the cost to the taxpayer for providing tax supports, is very moderate and is distinctly limited; and in view of the great value which consumers are receiving, it is a real bargain.

VOLUNTARY PROGRAM GREATLY REDUCED SURPLUS DESPITE EXCELLENT WEATHER

As I say, the voluntary program, which will be an option available to Senators when they vote next week on the farm bill, has increased farm income. It has also resulted in a sharp reduction in the feed grain carryover stocks. Actually, the statistics show that the carryover of surpluses was reduced 13 percent. That is a very sharp reduction. It was the first time in many years that there was a reduction in the surplus.

The miracle is that that reduction took place in an excellent year, one of the best growing years the country has ever had. If it had not been for the voluntary retirement program, there would have been a perfectly enormous increase in the feed grain surplus. But in spite of the fine growing weather, in spite of the large increase in productivity per acre—in spite of all that—the surplus was reduced sharply. The statistics show it was reduced by 13 percent.

Furthermore, the record shows that nonparticipators, those who did not take part in the program, did not, as it was predicted by those who opposed the program, increase their production. What is even more significant, there is more compliance in 1962 than there was in 1961. Those who oppose the program say it might be all right as a one-shot program; that it might work for a year or two; but that then we would find compliance drifting off and diminishing; and that in a year or two the program would not work so well. The statistics show the opposite. They show that far from less compliance, there has been more compliance in 1962 than there was in 1961. On the basis of experience, I think we may look forward to more compliance in 1963 than in 1962.

This is a program that is working. It is a program which has the support of farmers. It is a voluntary program, not a mandatory one. It is increasing farm income while reducing costs. It is an administration program, a Kennedy program. It is not a Benson program. It is a Kennedy program. It is a Freeman program. I cannot understand why the administration wants to walk away from it, wants to reject it, and advocate a program which is almost certain to be an exceedingly unpopular program with farmers because it would be mandatory and would require controls. It would limit every one of the 2.6 million farmers who grow feed grains. I cannot understand why the administration wants to have such a program. It would be a terrible risk, and would very likely be rejected. I should think the administration would want to continue a program which is working.

LESSON OF DEFEATED TURKEY REFERENDUM

A couple of weeks ago, the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the Committee on Agriculture and Forestry, reported to the Senate the result of the turkey referendum. This was a referendum which the administration expected to win. I am sure it would not have been called if it was not expected to be approved. The referendum asked turkey growers whether they would agree to mandatory controls and higher price supports. The vote in that referendum was extremely reveal-

ing. Out of all the States, in only one State in the entire Union did two thirds of the farmers vote for controls. That State was Wisconsin. In every one of the other States, the farmers voted "No." The administration had expected two-thirds of the farmers in all the States to vote for this program. They did not do so. They voted against the program. The fact is that the administration underestimated—seriously underestimated—the opposition by farmers to a mandatory control program. The strong preference by farmers is a voluntary program, if they can possibly get one.

SMALL FARMS ARE NOT EXEMPT

There is one additional point I should like to make in connection with this program, because it is vitally important. It has been overlooked. It has not been adequately reported in the newspapers. I honestly do not believe that the way the program has worked with respect to small farmers is fully understood by all Senators. I have before me a table which shows for each State, the number of farms which have a base of 25 acres or less for feed grains. These are the small farms. These are the dairy farms, the hog farms, and the other farms throughout the country which would be affected by this program, but which some newspapers, unfortunately, have given the impression would be exempted from the administration's mandatory program. What the administration bill provides is that every feed grain farmer, without exception, would have a base. That base would be the amount of acreage planted in 1959–60. He would be limited to that base.

Since 1959–60, in Wisconsin and other States, the farms have grown bigger. There are fewer farms, but bigger farms. This means that farmers, even though they produce on less than 25 acres, will have to cut back production to the 1959–60 base. Every farmer would be affected. There would be no exceptions and no exemptions.

It is true that farmers who produce on less than 25 acres would not suffer a cutback in their production below their 1959–60 base, unless they choose to take part in the referendum.

If they chose to take part in the referendum, however, they would have to suffer a 10-, 20-, or 30-percent further cutback. Probably there would be a 20-percent cutback.

INJUSTICE FOR SMALL FARMS

The great inequity of this arrangement is that there would be a disfranchisement of more than half the farmers affected by the bill, because there would be an economic penalty if they took part in the referendum. For example, Joe Smith, a typical dairy farmer or hog farmer, would be told, "You have a base of 20 acres, because that is the number of acres you had planted in feed grain in 1959–60. If you take part in this program, to the extent of voting for the referendum, you will have to take a 20-percent cutback—a cutback to 16 acres. If you do not vote in the referendum, you can plant 20 acres."

However, 20 acres was the acreage he planted to feed grain in 1959–60; and if he is a typical farmer, his acreage in 1962 is probably 23 or 24 acres. Therefore, his alternative is as follows: If he votes in the referendum, he will have to accept a cutback all the way to 16 acres, under these circumstances. If he does not vote in the referendum, he will also have to take a cutback—but in that case, to 20 acres. However, not only will he be limited in that way, but in that case he will lose his franchise—he will not be able to vote in the referendum.

Farmers have a great deal of difficulty in attempting to understand this matter. This may not amount to taxation without representation, but certainly it is suppression and limitation without representation.

The chart to which I have referred shows that in the United States there are—according to estimates by the Department of Agriculture—approximately 1,204,000 farms which have bases of 25 acres or less. Those are 54 percent of all the farms. Under this bill, every one of these more than 1,200,000 of them—would be limited in production, would be subject to an economic penalty if the farmers voted in the referendum, and, in the overwhelming majority of cases, these farmers would not get 1 nickel more, if this program went through, than they would if it failed to go through, because the overwhelming majority of these farmers do not sell a bushel of grain off the farm.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table entitled "Feed Grains: Estimated Applicability of 25-Acre Exemption Under the Provisions of Administration Feed Grain Program."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Feed grains: Estimated applicability of 25-acre exemption under the provisions of administration feed grain program* [1]

State	Estimated number of farms with bases of 25 acres or less [2]	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousand acres)
Maine	1,079	96	8.5
New Hampshire	906	93	8.1
Vermont	3,482	90	37.1
Massachusetts	1,684	88	17.4
Rhode Island	240	83	3.0
Connecticut	1,802	85	21.9
New York	31,045	81	319.8
New Jersey	3,608	84	44.9
Pennsylvania	56,586	91	857.2
Ohio	57,907	55	649.2
Indiana	39,056	39	476.1
Illinois	25,749	20	296.4
Michigan	45,283	63	545.0
Wisconsin	64,528	61	796.0
Minnesota	28,001	25	357.6
Iowa	18,164	12	236.8
Missouri	46,584	48	512.5
North Dakota	2,375	6	31.7
South Dakota	2,872	7	22.4
Nebraska	4,231	6	52.4
Kansas	16,690	24	173.5
Delaware	1,840	50	22.3
Maryland	11,099	66	113.9
Virginia	56,386	89	463.4
West Virginia	20,063	96	101.3
North Carolina	128,926	88	1,059.6
South Carolina	50,241	87	426.4
Georgia	45,508	60	453.4
Florida	6,079	51	69.0
Kentucky	82,526	82	686.4
Tennessee	79,944	82	661.9
Alabama	62,844	73	642.9
Mississippi	82,176	89	722.1
Arkansas	31,121	91	210.7
Louisiana	31,061	91	259.2
Oklahoma	9,131	34	61.1
Texas	28,442	36	264.1
Montana	3,899	25	59.3
Idaho	4,937	54	58.7
Wyoming	1,098	39	13.2
Colorado	390	10	3.0
New Mexico	474	26	5.8
Arizona	301	23	2.3
Utah	5,538	70	53.6
Nevada	216	[illegible]	2.3
Washington	2,334	35	21.9
Oregon	4,734	53	48.7
California	1,352	18	22.6
United States	1,204,532	54	11,976.5

[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments, and was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.
[2] Includes corn, grain sorghums, and barley. If oats are included, as in H.R. 11222, percentage of farms would be smaller in most States.

Mr. PROXMIRE. In conclusion, let me say that I hope all Senators will carefully and thoughtfully reconsider their positions on the farm bill before they vote, next week, to determine whether we are to have mandatory controls.

To sum up, I reiterate that there is every possibility that if Senators were to vote in favor of the administration's program, we would not have a farm program at all—if the House were to agree to such a Senate amendment, and if the President were to sign the bill, as thus amended, but if two-thirds of the farmers did not vote in favor of the program—and I think there is every possibility that that might happen.

However, if the House adheres to its position, and refuses to hold a conference on that measure, if the Senate were simply to amend the bill as passed by the House by adding the text of the amendment previously adopted by the Senate—which is what we would be doing—we would not have any farm program.

Finally, the alternative offered by the Senate Agriculture Committee—a voluntary retirement program—is working, is raising farm income, and is reducing cost.

So I hope all Senators will very thoughtfully consider the situation; and I also hope—for whatever it is worth—that the administration will consider what it is asking Senators to do and what it is risking for the American farmers.

PRESIDENT DESERVES CREDIT FOR RESISTING TAX CUT

Mr. PROXMIRE. Mr. President, on Monday at his press conference, President Kennedy discussed the possibility of a tax cut. I think he showed great fortitude and wisdom when he said he

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued July 30, 1962
For actions of July 27, 1962
87th-2d, No. 129

CONTENTS

Appropriations.....1,14
Budgeting.....16
Buildings.....5
Civil defense.....7
Consumers.....3
Electrification.....8
Extension work.....13
Farm program.....11
Fish flour.....10
Foreign aid.....9
Forest Service.....14
Forestry.....2,12
Land-grant colleges.....19
Lumber.....2
Personnel.....6,15
Reclamation.....17
Research.....12,13,19
Water resources.....19
Watersheds.....4
Wheat.....18

HIGHLIGHTS: Senate passed appropriations continuation measure. Conferees filed report on Interior appropriation bill. House committee voted to report bills for expansion of survey of forest resources, to aid States in forestry research, increase authorization under Cooperative Forest Management Act, provide additional research facilities for experiment stations, revise distribution formula for extension funds, and add certain lands to national forests. Sen. Magnuson commended President's recommendations to aid lumber industry. Sen. Douglas commended President's appointment of Consumer Advisory Council. House committee voted to report independent offices appropriation bill. Sen. Anderson introduced and discussed water resources research bill. Sen. Ellender introduced bill to extend International Wheat Agreement.

SENATE

1. APPROPRIATIONS. Passed without amendment H. J. Res. 839, the appropriations continuation resolution to make temporary appropriations until August 31, 1962, for those departments and agencies, including this Department, whose annual appropriation bills have not yet been enacted. This measure will now be sent to the President. p. 13960

2. FORESTRY. Sen. Magnuson commended the President's "affirmative recommendations dealing with a serious lumber situation in the Pacific Northwest," particularly his proposal to begin negotiations with Canada regarding timber imports from that country. Sens. Morse and Neuberger commended Sen. Magnuson's statement. pp. 13921-2

3. CONSUMERS. Sen. Douglas commended the President's appointment of a Consumer Advisory Council and inserted biographical sketches of the members of the Council. pp. 13938-9

4. WATERSHEDS. Sen. Chavez announced approval of watershed projects by the Public Works Committee as follows: Hurricane Creek, Ala.: Town Creek, Ala.; Florence area, Ariz.: Marbury Creek, Ga.; Middle Fork Broad River, Ga.; North Branch Forest River, N. Dak. (supplemental); Upper Blue River, Okla.; and Thicketty Creek, S. C. p. 13966

5. BUILDINGS. Sen. Chavez announced approval by the Public Works Committee of Federal buildings projects at Long Beach-Los Angeles Harbor, Calif.; Sault Ste. Marie, Mich.; Roswell, N. Mex.; Buffalo, N. Y.; and Charlottesville, Va. p. 13966

6. PERSONNEL. Sen. McGee inserted a Wyo. American Legion resolution urging preferential employment of qualified State residents by the Veterans' Administration and other Federal agencies in Wyo. p. 13966

7. CIVIL DEFENSE. Sen. Young, O., urged a halt to the building of fallout shelters, stating that "no fallout shelter program in the United States would be effective in saving lives in a nuclear war." pp. 13927-8

8. ELECTRIFICATION. Sen. Humphrey inserted and commended two articles on projects for the generation of electricity by solar cells. pp. 13928-9

9. FOREIGN AID. Sen. Mundt inserted an article by Christian Herter on foreign aid, "What Foreign Countries Can Do For Us." pp. 13933-4

10. FISH FLOUR. Sen. Douglas urged the Food and Drug Administration to approve the use of fish protein concentrate for human consumption in the U. S. pp. 13937-8

11. FARM PROGRAM. The report of the Agriculture and Forestry Committee on H. R. 12391, the new farm bill (see Digest 127), contains an explanation of the bill as follows:

"The committee amendment, which is in the nature of a substitute, is identical to S. 3225, as reported by this committee on April 27, 1962; except that the wheat provisions of S. 3225, as passed by the Senate (subtitle B of title III) have been substituted for the corresponding provisions of S. 3225, as reported.

"The bill consists of five titles providing for---

"Title I---Land Use Adjustment"

"1. Permanent administration of the agricultural conservation program on a national basis.

"2. Payments to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Appropriations are restricted to $10 million annually.

"3. Loans to State and local public agencies to carry out land utilization plans.

"4. Amendments to the Watershed Protection and Flood Prevention Act providing, among other things, for Federal participation in installation costs for recreation purposes and in land costs for public fish, wildlife, and recreation purposes.

"Title II---Public Law 480"

"Long-term supply contracts with the private trade and other amendments of title IV of Public Law 480, 83d Congress.

"Title III--- (Subtitle A)---Feed Grain Program"

"Extension of the special feed grain program to the 1963 crop.

"Title III (Subtitle B)---Wheat Program"

"A marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as determined by the Secretary would carry out the price and income objectives of the bill.

"Title IV---Credit"

"1. Farmers Home Administration loans for recreational facilities and sewers.

"2. An increase (from $10 million to $25 million) in the amount of direct FHA real estate loans for immediate resale which can be made from the agricultural credit insurance fund.

"3. A single loan fund for Rural Electrification Administration loans, to include funds appropriated, borrowed, or repaid, and to be available for loans only as authorized in appropriation acts.

"Title V---Industrial Uses of Agricultural Products"

"Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities."

HOUSE

12. FORESTRY. The agriculture Committee voted to report (but did not actually report) H. R. 12688 (amended), to authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of forestry research; H. R. 9728, to amend the Cooperative Forest Management Act to increase the appropriation authorization from $2.5 million to $5 million; S. 3064 (amended), to increase the authorization for the national survey of forest resources; S. 3112 (amended), to add certain lands to the Pike National Forest in Colo. and the Carson and Santa Fe National Forests in N. M.; and H. R. 7195 (amended), to add certain lands to the Wasatch National Forest, Utah. The Subcommittee on Forests of the Agriculture Committee voted to report to the full committee H. R. 11111, authorizing the Secretary of Agriculture to sell and convey certain forest lands in Iowa. p. D646

13. EXTENSION WORK; RESEARCH. The Agriculture Committee voted to report (but did not actually report) H. R. 12589, to amend the Smith-Lever Act so as to revise the formula for apportioning funds among the States, and H. R. 12568 (a clean bill to be introduced), to assist States to provide additional facilities for research at the State agricultural experiment stations. p. D646

14. APPROPRIATIONS. Received (during adjournment of the House) the conference report on H. R. 10802, the Department of Interior and related agencies, including Forest Service, appropriation bill for 1963 (H. Rept. 2049) (pp. 13968-70). At the end of this Digest is a table showing the action of the conferees on Forest Service items.

The Appropriations Committee voted to report (but did not actually report) the independent offices appropriation bill for 1963. p. D647

ITEMS IN APPENDIX

15. PERSONNEL. Extension of remarks of Sen. Mundt criticizing the increase in the number of Federal employees, and inserting an article, "The Federal Diary--New Policy Aims at More Output Per U. S. Employee." p. A5796

16. BUDGETING. Extension of remarks of Sen. Byrd inserting a resolution by the Virginia Bankers Association urging a reduction of Federal expenditures. p.A5797

17. RECLAMATION. Speech in the House of Rep. Aspinall supporting the Mann Creek Federal Reclamation Project, Idaho. p. A5802

Speech in the House of Rep. Saylor opposing the Mann Creek Federal Reclamation Project, Idaho. pp. A5804-5

BILLS INTRODUCED

18. WHEAT. S. 3574 by Sen. Ellender (by request), to extend the International Wheat Agreement Act of 1949; to Agriculture and Forestry Committee.

19. WATER RESOURCES. S. 3579, by Sen. Anderson, to establish water resources research institutes at land-grant colleges and State universities, and to promote a more adequate national program of water research; to Interior and Insular Affairs Committee. Remarks of author, pp. 13961-5

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COMMITTEE HEARINGS JULY 30:
Marketing orders for potatoes, H. Agriculture (Hedlund, AMS, to testify).
Wilderness preservation bill, H. Interior (exec).
Foreign trade bill, S. Finance.
Indirect costs in research grants, H. Science and Astronautics.
Federal pay bill, S. Civil Service.
Foreign aid appropriations, H. Appropriations (exec).
Travel by Government employees on U. S. air carriers, S. Commerce.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of Aug. 10 & 11, 1962
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CONTENTS

Adjournment.....11	Forest Service.....16	Pesticides.....13
Appropriation.....7,16	Health.....15	Publications.....17
Census.....14	Information.....14	Research.....6
Communications.....2,8	Libraries.....17	Retirement.....15
Contracts.....4,10	Life insurance.....3	Retraining.....12
Farm program.....1,12	Nomination.....5	Roads.....9
Feed additives.....6	Oysters.....18	Science.....5
Food and durgs.....13	Personnel.....3,15	Small business.....4

HIGHLIGHTS: Senate rejected Morse motion for immediate consideration of farm bill. Sen. Williams, Del., charged administration's farm bill has criminal provision for noncompliance.

SENATE - AUG. 10

1. FARM PROGRAM. By a vote of 69 to 15, tabled a motion by Sen. Morse to proceed to consideration of H. R. 12391, the farm bill (pp. 15091-2). Sen. Morse criticized the delay in considering the farm bill, stating that "by postponing action on the farm bill, the Senate today has done a horrendous wrong to the farmers of America" (p. 15096).

Sen. Williams, Del., defended his recent statement that the Administration's farm proposal recommended to the Congress contained a criminal provision for noncompliance, stated that a "rebuttal by the unnamed spokesman for the Agriculture Department is deliberately misleading," and inserted material to support his position. p. 15101

2. COMMUNICATIONS. Resumed debate on H. R. 11040, the communications satellite bill (pp. 15087-9, 15092, 15095-100, 15104-14, 151124). This bill was reported without amendment earlier in the day by the Foreign Relations Committee (S.Rept. 1873)(p. 15114).

3. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 8564, to provide for the escheat of the unclaimed payments under the Government life insurance program to the credit of the life insurance fund (S. Rept. 1877). p. 15114

4. SMALL BUSINES; CONTRACTS. The Small Business Subcommittee of the Banking and Currency Committee approved for full committee consideration with amendment S. 3096, to amend the Small Business Act to provide that the program under which Government contracts are set aside for small business concerns shall not apply in the case of contracts for maintenance, repair, or construction. p.D712

5. NOMINATION. Received the nomination of Dr. Harvey Brooks to be a member of the National Science Board, National Science Foundation. p. 15087

HOUSE - AUG. 10

6. RESEARCH; FEED ADDITIVES. The Subcommittee on Health and Safety of the Interstate and Foreign Commerce Committee voted to report to the full committee H. R. 12437, to amend the Food and Drug Act so as to repeal a provision prohibiting issuance of regulations permitting animal feed additives found to induce cancer, based on certain findings by the Secretary of HEW. p. D713

7. APPROPRIATIONS. The Appropriations Committee voted to report (but did not actually report) H. R. 12870, the military construction appropriation bill for 1963. p. D712

SENATE - AUG. 11

8. COMMUNICATIONS. Continued debate on H. R. 11040, the communications satellite bill. pp. 15126, 15148-212

9. ROADS. Sen. Metcalf submitted amendments intended to be proposed to H. R. 12135 the road authorization bill. p. 15126

10. CONTRACTS. Sen. Neuberger urged enactment of equal pay legislation and inserted an article, "Bill to Assure Women Equal Pay Alarms Employers' Lobbyists--But Belated Attack Given Slim Chance to Block Passage; Senator Tower Cool to Opponents." pp. 15213-4

11. RECESSED until Mon., Aug. 13. p. 15215

ITEMS IN APPENDIX

12. FARM PROGRAM. Extension of remarks of Sen. Capehart inserting an editorial, "Retraining of Farmers," stating that former Secretary of Agriculture Wickard "is right in opposing the retraining of farmers for city jobs." p. A6121

13. FOOD AND DRUG; PESTICIDES. Extension of remarks of Rep. Broyhill inserting the testimony of the secretary of the Federation of Homemakers urging additional appropriations for the Food and Drug Administration for inspection activities, particularly for inspection of pesticide residues on foods for home consumption. pp. A6126-8

Mr. MORSE. I send to the desk a motion that the Senate proceed to the consideration of Senate Resolution 24, the so-called Morse antifilibuster resolution.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The clerk reports that the matter is not in his possession, but is still in the Committee on Rules and Administration. The motion, therefore, is not in order. The Senator from Montana is recognized.

Mr. MANSFIELD. The question I was about to put to the Chair has been answered.

Mr. MORSE. Mr. President, I move that Senate Resolution 24 be taken from the committee and be made the pending business of the Senate.

Mr. MANSFIELD. I move to table that motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to table the motion made by the Senator from Oregon.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from West Virginia [Mr. BYRD], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. LONG], the Senator from Rhode Island [Mr. PASTORE], and the Senator from New Mexico [Mr. ANDERSON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. GOLDWATER], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent because of a death in the family.

If present and voting, the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. MILLER], and the Senator from New Hampshire [Mr. MURPHY] would each vote "yea."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Utah would vote "yea," and the Senator from New York would vote "nay."

The result was announced—yeas 70, nays 14, as follows:

[No. 150 Leg.]

YEAS—70

Aiken	Fulbright	Pearson
Allott	Hickey	Pell
Beall	Hill	Prouty
Bible	Holland	Randolph
Boggs	Hruska	Robertson
Bottum	Humphrey	Russell
Bush	Jackson	Saltonstall
Butler	Johnston	Smathers
Byrd, Va.	Jordan, N.C.	Smith, Mass.
Cannon	Jordan, Idaho	Smith, Maine
Capehart	Kerr	Sparkman
Carlson	Kuchel	Stennis
Carroll	Lausche	Symington
Chavez	Long, Hawaii	Talmadge
Church	Long, La.	Thurmond
Cotton	Magnuson	Tower
Curtis	Mansfield	Wiley
Dirksen	McCarthy	Williams, N.J.
Dodd	McClellan	Williams, Del.
Eastland	McGee	Yarborough
Ellender	Metcalf	Young, N. Dak.
Engle	Monroney	Young, Ohio
Ervin	Mundt	
Fong	Muskie	

NAYS—14

Bartlett	Gruening	Moss
Case	Hartke	Neuberger
Clark	Keating	Proxmire
Douglas	Kefauver	Scott
Gore	Morse	

NOT VOTING 16

Anderson	Hart	Miller
Bennett	Hayden	Morton
Burdick	Hickenlooper	Murphy
Byrd, W. Va.	Javits	Pastore
Cooper	Long, Mo.	
Goldwater	McNamara	

So Mr. MANSFIELD's motion to lay Mr. MORSE's motion on the table was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the motion to lay on the table was agreed to be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, there is another motion which I wish to make. However, before making it, I wish to say that I am very much disappointed that my previous motion was laid on the table, although I would be less than honest if I did not say that that action came as no surprise, for always before I engage in prolonged debate in the Senate, I offer the Morse antifilibuster resolution or pledge my support to the Douglas antifilibuster resolution or to the Clark antifilibuster resolution or to the antifilibuster resolution which the great Senator Herbert Lehman used to submit, or to the antifilibuster resolution which the late great Senator Dick Neuberger, of Oregon, used to submit, because I always hope that perhaps sometime the Senate will come to grips with the matter of changing rule XXII, so that the minority will be fully protected from being ridden over, roughshod, by a galloping majority at any particular time.

But now the Senate has spoken again on the Morse antifilibuster resolution.

THE FARM BILL

Mr. MORSE. Mr. President, now I turn to another measure which I think should be given precedence over the pending bill—returning to the pending bill as soon as these two or three very emergency pieces of legislation are taken care of.

As the Senate knows, Mr. President, I do not think we should postpone any further the consideration of the farm bill. Therefore, Mr. President, I move that the Senate proceed to the consideration of House bill 12391, the farm bill; and as I make my motion, I raise a parliamentary inquiry. I believe the bill should be read by the clerk; and I ask, as a parliamentary inquiry, whether I am entitled to have the bill read as I make my motion.

The PRESIDING OFFICER. Under the rules, the Senator is entitled to have the title of the bill read, but not the body of the bill.

Mr. MORSE. Mr. President, I send to the desk my motion; I move that the Senate proceed to the consideration of House bill 12391, the farm bill.

The PRESIDING OFFICER. The motion of the Senator from Oregon is not debatable.

Mr. MANSFIELD. Mr. President, I move that the motion of the Senator from Oregon be laid on the table.

The PRESIDING OFFICER. The Senator from Montana has moved that the motion of the Senator from Oregon be laid on the table.

Mr. MORSE. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Obviously there is a sufficient second, and the yeas and nays are ordered.

The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from Oregon [Mr. MORSE] that the Senate proceed to the consideration of House bill 12391, the farm bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from West Virginia [Mr. BYRD], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], and the Senator from Missouri [Mr. LONG], would each vote "yea."

On this vote, the Senator from North Dakota [Mr. BURDICK] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from North Dakota would vote "nay," and the Senator from Rhode Island would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. GOLDWATER],

the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent because of a death in the family.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], and the Senator from New Hampshire [Mr. MURPHY] would each vote "yea."

The result was announced—yeas 69, nays 15, as follows:

[No. 151 Leg.]

YEAS—69

Aiken	Fong	Monroney
Allott	Fulbright	Mundt
Beall	Hartke	Muskie
Bible	Hickey	Pearson
Boggs	Hill	Pell
Bottum	Holland	Prouty
Bush	Hruska	Randolph
Butler	Humphrey	Robertson
Byrd, Va.	Jackson	Russell
Cannon	Johnston	Saltonstall
Capehart	Jordan, N.C.	Scott
Carlson	Jordan, Idaho	Smathers
Case	Keating	Smith, Mass.
Chavez	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Cotton	Lausche	Stennis
Curtis	Long, Hawaii	Symington
Dirksen	Magnuson	Talmadge
Dodd	Mansfield	Thurmond
Eastland	McCarthy	Tower
Ellender	McClellan	Wiley
Engle	McGee	Williams, N.J.
Ervin	Metcalf	Williams, Del.

NAYS—15

Bartlett	Gruening	Neuberger
Carroll	Kefauver	Proxmire
Clark	Long, La.	Yarborough
Douglas	Morse	Young, N. Dak.
Gore	Moss	Young, Ohio

NOT VOTING 16

Anderson	Hart	Miller
Bennett	Hayden	Morton
Burdick	Hickenlooper	Murphy
Byrd, W. Va.	Javits	Pastore
Cooper	Long, Mo.	
Goldwater	McNamara	

So the motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANNOUNCEMENT OF THE SHOWING OF FILMS TAKEN IN RUSSIA—CORRECTION OF THE RECORD

Mr. ELLENDER. Mr. President, yesterday I gave notice of showings of films taken by me in Russia. An error was made in the RECORD, at page 15024. It reads as follows:

> There will be two showings on Tuesday, one beginning at 2:30 p.m. and the other at 3:30 p.m.

It should read:

> There will be two showings on Tuesday, one beginning at 12:30 p.m. and the other at 3:30 p.m.

I ask that the RECORD be corrected.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The correction will be made.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, I send to the desk a motion, and ask that it be read.

The PRESIDING OFFICER. The motion will be read.

The LEGISLATIVE CLERK. The Senator from Tennessee [Mr. KEFAUVER] proposes:

> I move that the Senate proceed to the consideration of Senate 1552, the Drug Industry Act of 1962.

Mr. MANSFIELD. Mr. President, I move to table the motion of the Senator from Tennessee.

Mr. KEFAUVER. Mr. President——

Mr. DIRKSEN. Mr. President, that motion is not debatable.

The PRESIDING OFFICER. The motion has been made by the Senator from Montana to table the motion. The question is not debatable.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Arizona [Mr. HAYDEN], and the Senator from Missouri [Mr. LONG] would each vote "yea."

On this vote, the Senator from North Dakota [Mr. BURDICK] is paired with the Senator from Rhode Island [Mr. PASTORE].

If present and voting, the Senator from North Dakota would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. GOLDWATER], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent because of a death in the family.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. MILLER], and the Senator from New Hampshire [Mr. MURPHY] would each vote "yea."

The result was announced—yeas 70, nays 13, as follows:

[No. 152 Leg.]

YEAS—70

Aiken	Hartke	Pearson
Allott	Hickey	Pell
Beall	Hill	Prouty
Bible	Holland	Randolph
Boggs	Hruska	Robertson
Bottum	Humphrey	Russell
Bush	Jackson	Saltonstall
Butler	Johnston	Scott
Byrd, Va.	Jordan, N.C.	Smathers
Cannon	Jordan, Idaho	Smith, Mass.
Capehart	Keating	Smith, Maine
Carlson	Kerr	Sparkman
Case	Kuchel	Stennis
Chavez	Lausche	Symington
Church	Long, Hawaii	Talmadge
Cotton	Magnuson	Thurmond
Curtis	Mansfield	Tower
Dirksen	McCarthy	Wiley
Dodd	McClellan	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	Metcalf	Young, N. Dak.
Ervin	Monroney	Young, Ohio
Fong	Mundt	
Fulbright	Muskie	

NAYS—13

Bartlett	Gruening	Neuberger
Carroll	Kefauver	Proxmire
Clark	Long, La.	Yarborough
Douglas	Morse	
Gore	Moss	

NOT VOTING—17

Anderson	Goldwater	McNamara
Bennett	Hart	Miller
Burdick	Hayden	Morton
Byrd, W. Va.	Hickenlooper	Murphy
Cooper	Javits	Pastore
Engle	Long, Mo.	

So Mr. MANSFIELD's motion to table Mr. KEFAUVER's motion to consider S. 1552 was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, is the Chair aware of the possibility of any proposals being offered at this time during the morning hour?

The PRESIDING OFFICER. The Chair has no information that any other proposals may be offered, though such proposals may be in order.

Mr. MANSFIELD. Mr. President, we have had votes on two or three measures during the morning hour, strictly within the rules and according to the procedures of the Manual of the Senate. They indicate that so far as authority and power is concerned, each indivdual Senator has as much power, authority, and responsibility as the majority and the minority leaders. As I have stated before, we operate on the basis of courtesy, self-restraint, and accommodation. What has occurred is an illustration of what any individual Senator can do. The leadership did not seek to call up certain bills this morning; individual Senators did. I hope that the Senate will be aware of that fact, because it emphasizes that the responsibility for any proposed legislation is not primarily the responsibility of the leadership but is primarily and absolutely the responsibility of each Senator and the Senate as a whole.

talk that by holding out for the limit, President Kennedy and his disarmament advisers would back down on the few remaining U.S. safeguards the next time they met.

This, of course, is what has happened. Last week, at a press conference, President Kennedy announced that the United States was willing to "compromise" on the disarmament issue by acceding to the demands of the eight "neutral" nations which have delegates at Geneva.

The President said that we are now willing to give up the demand for an international network of 180 seismic detection stations and to retreat on the number of on-site inspections within the Soviet Union.

Adequate inspection always has been demanded by the United States to insure against surprise attacks or secret testing of nuclear weapons by the Soviets—whose word we cannot accept on face value.

The United States traditionally has demanded at least 20 on-site inspections within the Soviet Union each year, and a network of seismic detection stations manned by representatives from Soviet, Western, and neutral nations.

Not long ago the President said the number of on-site inspections could be limited to 12 to 20, and last week he merely used the word "some" without specifying a number. In addition he has almost completely conceded on the matter of seismic stations, offering to let the Soviets man their own stations and holding out only for some kind of international "monitoring" or "supervision" of these control posts.

The President's latest concessions are based on a new technique we are supposed to have acquired which will distinguish between underground nuclear explosions and earthquakes. This technique supposedly was discovered during our recent atomic tests in the Pacific.

But Representative CRAIG HOSMER, Republican, of California, who is a ranking member of the Joint Congressional Atomic Energy Committee, claims that we can by no means be certain of our ability to distinguish between earthquakes and atomic tests without closer detection stations or onsite inspections.

He has pointed out that the Defense Department's Advanced Research Projects Agency—which was reported to have made the claim—merely announced that we have made progress toward the identification and location of underground disturbances.

Yet, the President is using this questionable achievement as the basis for his newest round of concessions to the Soviets. But maybe we don't have to worry much about these concessions, for the Soviets have indicated they will reject them as well. They have seen how the veto of our disarmament proposal last April brought out a few more concessions, and they will no doubt hold out for the limit.

Sooner or later, we will have reached that limit, and the Russian delegates will be directed to say "Da" instead of "Nyet." When that day arrives, maybe we will have learned our lesson. Unfortunately by that time it will be too late.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MORSE. Mr. President, I was much interested in the observation of the majority leader in his remarks on the floor of the Senate. He was quite correct when he said that each Senator must assume his own responsibility on the floor of the Senate for the course of action he takes, in keeping with his trust as he sees that trust.

I made a motion to modify, first, rule XXII along the lines of the Morse anti-filibuster resolution, which I have submitted in the Senate almost in the form in which I submitted it this morning, although it has varied in form as we have developed new ideas in regard to it, since 1947.

I have taken the position that rule XXII should be changed. I have taken the position that filibusters which seek to prevent a vote from ever occurring on a bill ought to be outlawed in the Senate. My resolution would do that. I have taken the position that the minority, however, is entitled to adequate protection to present its point of view in adequate time, in order to give the American people an opportunity to take note of the merits and demerits of any issue that is pending in the Senate which may involve extended debate in the Senate.

During my almost 18 years in the Senate I have seen positions in the Senate shift as the American people became informed in regard to the subject matter of some issue which is of great public concern to the people of this country, but which sometimes in the views of some of us does not receive due consideration from a then predominant majority in the Senate.

How well do I recall, as I have said before, the situation in 1954, when the situation existed that a then administration sought to get through the Senate on the very day that the bill was brought to the floor of the Senate the atomic energy giveaway bill of 1954. Had they been able to do so, the American people, in the original form of that bill, would have lost a $14 billion investment in the atomic energy program, an atomic energy program that had been built up and developed at the complete cost of the taxpayers of the United States.

In 1954, the plan was to give it away to the private utilities of this country. Not only that, but we were asked for a unanimous-consent agreement, on that sad day in the Senate of the United States, to vote on that bill the very day that it came to the floor of the Senate. The record is perfectly clear that that is what happened over in the House. The bill went through the House, as I recall, under a no-amendment rule in less than an hour and a half.

We refused to give consent in 1954 to the atomic power giveaway, and we debated it for 13 days and 6 nights in the Senate.

As I have been heard to say before, and as I repeat for the record again, and for the information of the people, if any of this information gets out to the public, I held down the graveyard shift for 2 long nights during that debate.

We added to that bill amendment after amendment, not one of which would have been added to the bill if we had knuckled under on that day that a unanimous-consent agreement was asked for to vote on the bill on that day.

This is not the first time, in my many years in the Senate, that I have come to the conclusion that the greatest trust I owe to the American people is to stand with a minority, even though it is an unpopular minority at the time, and to do the best I can in accordance with my sights and my lights to present to the American people the issue that is involved in a bill.

I stand in that position again today.

Oh, I know what is going to happen to those of us who are taking this position. We are already hearing from powerful lobbies in this country which are seeking political action against us.

I meant it the other day, and repeat it today for the record, when I said to the majority whip, in reply to the majority whip in connection with a remark he made on the floor of the Senate as to possible political consequences that will flow from our opposition to the bill, that if I could be given assurance that a vote for the bill would guarantee my reelection in the election in November, or give me assurance that a vote against the bill would guarantee my defeat, I would still vote against the bill, because I never want my descendants to read that I voted for it. The bill is against the best interests of my country. It is such a bad bill that in my judgment its effects, if passed onto American foreign policy in the years ahead, can very well endanger even the security of this country. The legal program which is set up in the bill is such that it will have very bad effects on American foreign policy, and will play into the hands of our potential enemies.

It should not be passed if it has foreign policy defects. We shall develop those foreign policy defects in the days ahead, and get the American people to understand that this little group, already called a little band of willful Senators—are fighting in order to prevent the administration from getting through a bill which they say has already gone through three or four committees, is approved by the Attorney General, is approved by the Secretary of State, is approved by the head of FCC—and my answer to that is the question: "So what? So what?"

Does it follow that the counting up of noses makes the noses right? The issue before us is whether or not the bill is in the public interest, whether or not the bill will result in an instrument for the promotion of peace in the world, whether or not the bill in terms of history is in the interest of the welfare of this Republic.

The senior Senator from Oregon, as a member of the Foreign Relations Committee, as chairman of the Subcommittee on Latin American Affairs, as he sees the importance of the satellite communications bill in the great contest for freedom as against communism in the underdeveloped areas of the world, has come to the conclusion that the bill is against the interests of his country and that it is his patriotic duty to fight it no matter

what the political sacrifices of that fight may be.

That is how deeply I feel about this bill. That is my dedication.

Now let me say that the senior Senator from Oregon made the motion to bring up the Morse antifilibuster resolution, and he made the motion to put the farm bill ahead of the satellite bill, because he believes that both of these subject matters, along with the drug bill, moved by the Senator from Tennessee [Mr. KEFAUVER], are much more important to the best interests of the American people in this session than the pending bill.

As I have said many times, and as I will be heard to say many times again in the days ahead, in my judgment there is no provable need for any "rush act" on this bill, and that it is not necessary to pass the pending bill prior to the election; and that what the administration ought to do—and I plead with my President from this floor again this morning—is to have the President use his influence to postpone action on the bill until a special session of Congress can be called immediately following the election in November.

Let me say that would result in no damage to the country. It would be in the interest of the country. It would give us an opportunity to hear many witnesses against the bill whom we have not had an opportunity to hear, because sending it to the Foreign Relations Committee, to be reported back here within a 10-day period, has not given the opponents of the bill an opportunity, for example, to call before us the witnesses who ought to have been called to testify in opposition to the bill.

Mr. GRUENING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Not now. I do not wish to speak at any length at this moment. I hope the Senator from Alaska will understand. I think he knows how much I admire and appreciate his courage in joining with us in opposition to the bill, because he, too, is a Senator who is up for reelection in November.

Mr. President, we moved to bring up these bills because we thought the proposed antifilibuster legislation ought to be considered now; we believe the millions of farmers across the land are entitled to have proposed farm legislation considered now—today, August 10, 1962. We do not believe there is any justification on the part of the administration in going along with a postponement of the farm bill, for it is at the desk and on the calendar. The planting season is just ahead. Farmers are entitled to know what their farm program will be. In my judgement, the Senate owes it to the farmers of America to get the farm bill behind us in the Senate. The satellite bill can very well be postponed until later in this session or can be postponed until the first week following the election. That will not cause injury of damage to anyone or any interest.

In my judgment, and expressing my personal opinion, by postponing action on the farm bill, the Senate today has done a horrendous wrong to the farmers of America. I think that upon reflection and second thought the administration had better reconsider the action it is taking in regard to the postponement of the consideration of the proposed farm legislation.

I feel the same way with respect to the drug bill. We all know that the drug bill could be brought to the floor of the Senate and in a very short time acted upon. In my judgment, we face a crisis. We have before us, with respect to protecting the health of the American population, a crisis, for we already know of some of the serious happenings of recent days. How I honor and admire the distinguished senior Senator from Tennessee [Mr. KEFAUVER] for the courageous fight he has put up for adequate drug control legislation. What castigation and abuse this great liberal from Tennessee has taken because of his courage, his foresight, and his insight in connection with the drug crisis that faces America. There is no question that the drug industry of the United States needs to be brought under tighter control. But when? I ask. When? Tomorrow? Next week? Next month? To use a figure of speech, Mr. President, it ought to have been yesterday, not even today. But certainly drug control legislation is needed now.

I take the position that first things should come first. Drug legislation, farm legislation, antifilibuster legislation, should be placed ahead of a satellite bill, which, as we shall show as the debate progresses, can be postponed for a considerable length of time. It will be a minimum of 2 to 3 years, at the earliest, before any satellite communications system can be put up in the heavens, and probably a little longer for the thing that will make the program which this administration is supporting—namely, a low-orbit satellite system—completely obsolete.

In fact, let the American people take note that the reason for the pressure that is now on is for the passage of a bill which involves an orbit satellite system at so-called low altitude, a system which will be obsolete almost as soon as the bill has been passed. Yet it will vest up there in space legal rights and legal interests to great monopolistic combines in this country, rights which it will be very difficult to dispel, except at high payment as compensation for the monopoly.

Oh, the proponents of the bill do not like to hear us talking about giveaways. But thank God for Harry Truman, for once again, in the statement he made yesterday, he pinpointed this issue. In my judgment, this is another horrendous giveaway of the taxpayers' interests, for the selfish, monopolistic combine which will be invested, under the bill, with terrific legal rights to control the space satellite comunications system. Other private industries in this country will come, hat in hand, to this great monopoly to get the crumbs from the monopolistic table by way of contracts from the monopoly itself, if they want to participate in a satellite communications system.

Mr. President, those are some of the issues involved in the bill; and the great ex-President of the United States saw through it very carefully and, in his typically courageous manner, once again warned the American people that the public interest is not protected by the bill.

So the majority leader is quite correct when he says that each Senator has his responsibility in the Senate; but so does the leadership of the Senate. We all know that it is the leadership of the Senate that really has the controlling voice as to the order of business which comes before the Senate. The leadership of the Senate would get the support of the Senate if the leadership of the Senate were willing to vote to take up the antifilibuster resolution. The leadership of the Senate would get the support of the Senate if it were willing to proceed now with farm legislation, which is so sorely needed by millions of farmers throughout the country. The leadership of the Senate would get the support of the Senate if it were willing to proceed with the proposed drug legislation. Therefore, the leadership of the Senate cannot pass the legislative buck to the small band of so-called willful Senators who feel that the bill is of such vital concern to the American people, considering its bad effects, that we do not intend, Mr. President, to be coerced into giving up our rights under the rules so long as we think we have a chance of preventing the passage of the bill until after the election and a special session of Congress is called for the consideration of the bill.

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Not just yet. I hope the Senator will permit me to finish my statement.

I want the American people to proceed to interest themselves in the Senate in the next few days, for I want the American people to know that we can take all the name calling that is thrown our way. We can take all the abuse and castigation that is thrown our way. We have done so before. Once they become convinced, as we are convinced, that we have a duty to perform in regard to the preventing at this time, and until there has been more adequate consideration, the passage of a bill that we believe would be very much against the interests of the American people, we will not be stopped. We will not rush to political cover because of the accusations which may be made against us.

We believe the American people should take a look at the lobbying activities of the great giant monopoly in this country which is known as American Telephone & Telegraph Co. Mr. President, not only is it the largest monopoly in the country; it is larger than a combination of some powerful business concerns in the country, such as General Motors, United States Steel, and a few others, combined. I shall place in the RECORD a list of great giant corporations which, if they were all put together, would still not equal the great giant American Telephone & Telegraph Co. In my judgment, American Telephone & Telegraph Co. with respect to its lobbying activities, in respect to the economic pressures it brings to bear, is a formidable threat to private

Aug. 16, 1962.

6. RESEARCH. The Rules Committee reported a resolution for the consideration of H. R. 12712, to assist the States to provide additional facilities for research at the State agricultural experiment stations. p. 15760

7. WHEAT. The Banking and Currency Committee reported without amendment S. 3574, to extend the International Wheat Agreement Act of 1949 so as to implement the 1962 International Wheat Agreement (H. Rept. 2246). p. 15760

8. TAXATION. The Ways and Means Committee reported with amendment H. R. 5260, to repeal the 3 cents per pound processing tax on coconut oil (H. Rept. 2239). p. 15760

9. ADMINISTRATIVE PROVISIONS. The Subcommittee on Departmental Oversignt and Consumer Relations of the Agriculture Committee voted to report to the full committee with amendments H. R. 12811, to facilitate the work of the Department of Agriculture. p. D738

10. TERRITORIES. The Subcommittee on Departmental Oversight and Consumer Relations of the Agriculture Committee voted to report to the full committee with amendment S. 2121, to provide Federal agricultural services to Guam. p. D738

11. ROADS. Rep. Fallon criticized the freezing of Federal-aid highway funds saying, "This freezing of funds, known officially as reimbursement scheduling, has held back the highway program in a number of States." p. 15759

12. MINING. Rep. Saylor discussed his bill H. R. 12913, to modernize the mining laws of the U. S. pp. 15746-7

13. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar and the Private Calendar will be called on Mon., and that the House will adjourn from Mon., Aug. 20 to Thurs., Aug. 23, and from Thurs., Aug. 23, to Mon., Aug. 27. p. 15757

14. ADJOURNED until Mon., Aug. 20. p. 15760

SENATE

15. FARM PROGRAM. Sen. Mansfield announced that the farm bill will be considered after disposition of the communications satellite bill (pp. 15665, 15679). Sen. Keating expressed opposition to taking up the farm bill and stated that he would "use the balance of my time on the pending satellite bill...so as to defer action on the farm bill" (pp. 15679, 15680).

Sen. McCarthy submitted an amendment intended to be proposed to the farm bill "to add a dairy program to the new version of the Senate farm bill." He stated that his proposed amendment "incorporates the House provision in general." pp. 15684-6

16. FARM LABOR. Sen. Williams, N.J., inserted and commended a letter he received from the executive vice-president of the Council of California Growers stating that the Council "is not planning any...legal action against Secretary of Labor Goldberg, nor does the council intend to bring any such legal action against Secretary Goldberg in the future" in connection with the setting of minimum wages for Mexican farm laborers. pp. 15689-90

17. COMMUNICATIONS. Continued debate on H. R. 11040, the communications satellite bill (pp. 15630-66, 15669-80). By a vote of 68 to 15, tabled an amendment by Sen. Yarborough to require the President to take all necessary steps to insure the availability of the communications satellite system for use by any Federal

agency (pp. 15662-5). By a vote of 64 to 11, tabled an amendment by Sen. Kefauver to provide that the Federal Government would own the satellite system and would "establish an AEC type of direction for space satellite communications" (pp. 15673-8).

18. TAXATION. The Finance Committee reported with amendments H. R. 10650, the proposed Revenue Act of 1962 (S. Rept. 1881). p. 15683

19. ELECTRIFICATION. Sen. Mundt contended that there was no need for enactment of S. 3153, granting the Pacific Northwest first call on power generated at Federal plants in that region and expressed hope the House would not pass it. pp. 15687-8

20. EXTENSION WORK. Sen. Wiley inserted a letter from the director of the extension division of the Univ. of Wisconsin supporting enactment of legislation to improve and strengthen the extension program. p. 15688

21. WATERSHEDS. The plans for works of watershed improvement, recently submitted to Congress by the Budget Bureau, included Duncan Creek, S.C., and Neshobe River, Vt. These were omitted from the list in the Congressional Record. (See Digest 143, item 3.)

ITEMS IN APPENDIX

22. EDUCATION. Extension of remarks of Sen. Wiley inserting a copy of a letter to Rep. Cooley urging a strengthening of vocational and educational training programs. p. A6241

23. BUDGETING. Extension of remarks of Rep. Ryan inserting an article, "Cutting Taxes and Balancing Budgets," analyzing out budgeting methods and the budgeting practices of Western European countries. pp. A6251-2

24. FOREIGN TRADE. Extension of remarks of Rep. Green inserting an address by Under Secretary of Commerce Gudeman, "Trade: Our Problem Is One of Increasing Growth, Both Domestic and Export." pp. A6255-6

25. FOREST LANDS. Extension of remarks of Rep. Johnson, Calif., inserting an article, "Multiple Use as Concept of Land Management." pp A6261-3

26. TEXTILES. Extension of remarks of Rep. Dent inserting a letter from the Carded Yarn Association on problems "being inflicted because of trade policies." pp. A6264-5

27. FARM PROGRAM. Extension of remarks of Rep. Weaver inserting an editorial, "This Farm Proposal a 'Gasser'", criticizing the CED report on agriculture. p. A6265

28. PRICES; LABELING. Extension of remarks of Rep. MacGregor urging passage of the quality stabilization bill. pp. A6267-8

29. FARM LABOR. Extension of remarks of Rep. Roosevelt urging passage by the House of bills already passed by the Senate to aid migratory farm workers. p. A6270

30. PUBLIC WORKS. Extension of remarks of Rep. Blatnik urging passage of the public works acceleration bill and inserting an explanation of the bill in question-and-answer form. pp. A6282-3

So Mr. PASTORE's motion, to lay on the table Mr. YARBOROUGH's amendment to the committee amendment, was agreed to.

Mr. PASTORE. I ask for the yeas and nays on the committee amendment.

Mr. LONG of Louisiana. Mr. President——

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays are ordered.

Mr. DIRKSEN. Mr. President, in my own time I have——

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, I should like to inquire of the distinguished majority leader as to what the program will be for the balance of the day and also what he envisions for tomorrow.

Mr. MANSFIELD. Frankly, I cannot give the minority leader much of an answer. We must play this matter by ear.

Mr. GORE. Mr. President, Members in the rear of the Chamber cannot hear. The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. It is the intention of the leadership to stay in session until 10 o'clock or thereabouts tonight, depending on conditions, and to come in at 10 o'clock tomorrow morning and to stay with this matter until it is concluded, and then turn to the farm bill, and following the farm bill to turn to the drug bill.

Mr. DIRKSEN. Mr. President, in my own time I should like to ask the distinguished senior Senator from Oregon if he can enlighten the Senate as to whether there will be a continuation of these amendments and if he anticipates quorum calls and yea-and-nay votes, as has been the case thus far? The basis for my inquiry is—and I do not vouch for it at all—that I understood there was afoot a plan to take perhaps another four or five or six major amendments out of the entire heap, and offer them, and let it go at that.

Mr. MORSE. I appreciate very much the fairness of the Senator from Illinois in offering to do this in his own time. I should like to answer at great length, but in fairness to the Senator, I believe we should have unanimous consent that the colloquy which will take place will be charged to no one's time.

Mr. DIRKSEN. That is all right. I have some time left. I am asking the question.

Mr. MORSE. I have already told the Senator from Illinois, the Senator from Florida, and the Senator from North Dakota that I thought it only fair that the Senate know what the plans are, so far as the senior Senator from Oregon is concerned, with regard to the rest of the amendments.

I have 4 minutes left on the bill. I wish to use those 4 minutes to answer the Senator from Minnesota [Mr. HUMPHREY]. I will use the time for that purpose.

However, my position on the amendments which I have submitted is this: I have submitted every one of them in good faith. In my judgment each one, without exception, is an important amendment and would, if adopted, improve the bill. I believe that each should be adopted.

I have been placed in the position where I cannot discuss these amendments at any length. To cover this situation, if I can, I shall propose a unanimous-consent agreement.

The amendments will have to be set forth, and all I can do is to call them up and have them read. I shall ask unanimous consent that I be allowed to file in the RECORD a memorandum about each one of them which will set forth my position upon it.

I do not expect to obtain agreement, but I want to set forth my reasons for following the course of action I have outlined in fulfilling my obligation. I have an obligation to present these amendments for the RECORD. I have an obligation to give the Senate an opportunity to vote on them one way or another. I do not intend, because the die has been cast, to call for a yea-and-nay vote on very many of the amendments. I believe there may be two or three on which I do wish to have a yea-and-nay vote. However, I intend to call up every amendment that I have submitted which has not already been considered by the Senate.

In intend to call up ever amendment of which I am a cosponsor. I did not lend my name to a single amendment on the desk which in my judgment should not be adopted. Each one of them were designed to protect the public interest against the provisions of this monstrous bill which the Senate is about to pass.

This process will take time. Senators may not believe it, but the Senator from Oregon regrets that it is going to take time. It is however necessary, in view of what has developed in the Senate. It is necessary in view of the fact that the Senator from Oregon recognizes that he has no chance at all of getting any of these amendments adopted.

However, I do owe an obligation to my position in the Senate and to the people I represent.

I do not wish the debate on this issue to close without a complete history of it being made so far as the amendments which ought to be offered to the bill are concerned. I believe in each amendment that I will offer tonight and tomorrow morning. I assure the Senate however, that I will not call for a yea-and-nay vote on every amendment. I may not get a yea-and-nay vote on all of those on which I desire to obtain it but it is my hope that I will.

I have long since been convinced that I must vigorously protect my rights in this session of the Senate.

I shall offer my amendments, and the Senate can dispose of them as rapidly as the clerk can get through reading them and the Senate's guillotine can dispatch to them to the table. However, the amendments which bear the name of the senior Senator from Oregon will be offered before we dispose of the pending bill.

Mr. DIRKSEN. If I could get from the Senator from Oregon a slightly more explicit answer——

Mr. MORSE. I believe there are approximately 30 amendments.

Mr. DIRKSEN. I was about to ask the Senator how many there were. How many amendments will we have the pleasure of guillotining tonight?

Mr. MORSE. I believe that in the course of this evening the Senator may be able to drop the guillotine on half of them or more. Of course, I am fit as a fiddle, and if the Senate wishes to stay here all night, I shall be delighted to have the Senator from Illinois remain.

Mr. DIRKSEN. Mr. President, still in my own time, I see my affable friend, the distinguished Senator from Tennessee [Mr. KEFAUVER], on the floor, whom I regard as the grand captain. I should like to ask the grand captain whether on his amendments he expects to follow the same course of procedure. He has submitted quite a number of amendments. I believe on one occasion he dropped 70 amendments on the desk, as my list indicates. I am wondering whether he is going to call up a very substantial number of them and attempt to secure yea and nay votes on them or suggest the absence of a quorum.

Mr. GORE. Mr. President, I make a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. The rules of the Senate do not permit one Senator who has the floor to propound questions to a Senator who does not have the floor.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DIRKSEN. I have the floor. I believe I can ask a question.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. What was the ruling of the Chair?

The PRESIDING OFFICER. The point of order of the Senator from Tennessee was sustained.

Mr. DIRKSEN. I yield to the distinguished Senator from Tennessee to ask me a question.

Mr. KEFAUVER. In the Senator's time?

Mr. DIRKSEN. Yes.

Mr. KEFAUVER. Is the time for answering the question limited or unlimited?

Mr. DIRKSEN. Unlimited.

Mr. KEFAUVER. Does the Senator not know that I have stated to him on the floor of the Senate that if this type of bill is going to be passed, I and others have an obligation at least to call the attention of the Senate to some improvements that might be made in it? I am sure the Senator knows that I have offered, I believe, up to this time, three amendments, all of which were important amendments.

I offered an amendment to let the public participate in all the issues of

voting stock, not merely the initial issues. That amendment was defeated. I offered an amendment to prevent an investor like A.T. & T. from getting a double return, a return from the users of the telephone and a return from interest on bonds. That was a serious amendment. That was defeated.

I am sure the Senator from Illinois knows that I offered an amendment to try to let Western Union rid itself of its divestiture order so that it could participate in the satellite program. I believe everyone agreed. The chairman of the Commerce Committee agreed, I am sure. The Senator handling the bill on the floor agreed. Apparently everyone agreed, but almost no one voted in line with their agreement.

So far as my position is concerned, I believe that those who have the feeling that they should at least give the Senate a chance to vote on amendments should have the opportunity of offering them. May I ask another question?

Mr. DIRKSEN. Let me ask the Senator another question.

Mr. KEFAUVER. I expect to offer about two more amendments.

Mr. DIRKSEN. The Senator from Tennessee submitted 46 amendments. Action was taken on five. The Senator has 41 amendments remaining at the desk. Does he propose to call up all of them? I desire only an answer to that question.

Mr. KEFAUVER. The Senator from Illinois yielded for an unlimited time; I took him up on his proposal.

Does the Senator know that when the cloture petition was filed unexpectedly on Saturday morning, without notice to many Senators, a number of the opponents of the bill were absent from the city; that we who were here feared that Senators who were out of the city might not have an opportunity to submit amendments and have them printed in the RECORD; that the Senator from Louisiana [Mr. LONG] and I, in order to try to protect the rights of Senators who were absent, submitted a number of other amendments; that when the absent Senators returned and found they could submit their amendments and have them printed in the RECORD, they did so, and that many of them were duplicates of those which had been submitted on Saturday; that in many cases the amendments are in triplicate, exactly like those which had first been filed?

For my part, I shall ask for the consideration of only the amendments which I believe ought to be adopted.

Mr. DIRKSEN. That is, two?

Mr. KEFAUVER. I have many more that I think ought to be adopted; but out of deference to the distinguished minority leader, knowing what will happen by way of motions to table some of the amendments which I think should be adopted, I may not offer them. But I do not want to make any binding agreement.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for 30 seconds on his time, so that I may propound a unanimous-consent request?

Mr. DIRKSEN. I yield.

Mr. MORSE. My unanimous-consent request is that I be permitted to file in the RECORD, following each amendment I offer, each of which I expect to be shot down by the tabling procedure, a memorandum explaining the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, reserving the right to object, does that query come in the form of a request merely to file an amendment and a memorandum in connection with it?

Mr. MORSE. No; it comes in the form of a request that as I offer an amendment and it is read by the clerk and submitted to the Senate for action, there may be printed in the RECORD a memorandum explaining the amendment and setting forth a brief argument in favor of it.

Mr. DIRKSEN. I would be glad not to object, if the request involved only an insertion of the amendment in the RECORD or that it be read by title.

Mr. MORSE. I withdraw the request.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DIRKSEN. If I may.

Mr. LONG of Louisiana. Is the Senate operating under a unanimous-consent agreement at this time?

Mr. DIRKSEN. Wait. First let me yield to the Senator from Louisiana for a parliamentary inquiry. Then everyone can hear and understand it. Now I yield.

Mr. LONG of Louisiana. Mr. President, is the Senate operating at this time under a unanimous-consent arrangement, or is it still operating under the cloture rule?

The PRESIDING OFFICER. The Senate is operating under the cloture rule.

Mr. DIRKSEN. On my time.

The PRESIDING OFFICER. On the time of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield the floor.

POSTAL RATES FOR THE BENEFIT OF BLIND PERSONS

Mr. CURTIS. Mr. President, I send a bill to the desk in behalf of the senior Senator from Kansas [Mr. CARLSON], the senior Senator from West Virginia [Mr. RANDOLPH], and myself. I ask that the bill remain at the desk for a week to enable other Senators to join as cosponsors.

This bill is for the benefit of the blind and particularly for the benefit of blind children. For some time I have been interested in their welfare. I have been particularly interested in the work of the Christian Record Benevolent Association of Lincoln, Nebr. They have done so much in printing and distributing the scriptures and religious books for the blind. Through them I have been in contact with many other fine groups over the country who are likewise doing a very worthwhile work.

Mr. President, the bill relates to the assistance by the Post Office Department to blind persons. At the present time sound recordings on disks can be mailed without charge but the more modern device of tapes do not qualify. This is one of the items taken care of in the bill being introduced today.

Braille material is likewise handled without charge, however, many people are legally blind, and this is particularly true of children who, with the aid of new lenses being developed, can read a large script prepared for them. Such script is not used by persons other than the blind. This proposal would cause that type of printing to be handled free as braille is now handled.

At the present time books for the blind are sent at a special rate of 1 cent per pound. The revenue the Post Office Department receives from this is negligible and it is burdensome from the standpoint of bookkeeping. This charge is removed and, in addition, the scope of what can be sent in the way of supplies for the blind is enlarged.

Mr. President, I ask unanimous consent to have printed in the RECORD portions of a letter I have received from Mr. George E. Keane, chairman of the legislative committee of the American Association of Workers for the Blind, which further explains these changes.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the excerpts from the letter will be printed in the RECORD; and, without objection, the bill will lie on the desk, as requested by the Senator from Nebraska.

The bill (S. 3467) to amend sections 4653 and 4654 of title 39, United States Code, with respect to the mailing of certain reading and other materials for the use of blind persons, introduced by Mr. CURTIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The excerpts presented by Mr. CURTIS are as follows:

THE INDUSTRIAL HOME FOR THE BLIND,
Brooklyn, N.Y., July 31, 1962.

Hon. CARL T. CURTIS,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR CURTIS: * * * A brief explanation of the background and reason for the proposed changes may be useful here. I know that you are familiar with most of these reasons, but put in a brief memorandum form, they may be useful.

First, we are suggesting two separate proposals. In the amendments to section 4653 we are asking for the inclusion of sound recordings other than those on discs, and in addition, matter in sightsaving-size type. The first addition is self-explanatory, since research and development in the field of recordings for the blind seems to indicate that ultimately more and more of the material prepared in sound recordings for blind persons may be on tape as a more economical method both in terms of cost and in terms of space needed. The inclusion of sightsaving-size type material, however, is new, and it should be said here that such material will probably be confined exclusively to the use of blind children with some remaining vision, as it will never be practical to try to publish extensive lists of titles in large type for the adult population. The reason for its importance for the child is that practically all of the material prepared in large type for blind children is hand transcribed by volun-

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it is further the understanding of the leadership and other Senators that there may be as many as six or seven yea-and-nay votes tomorrow. It is anticipated that the vote on the passage of the bill may occur at about 3 o'clock.

Mr. KEATING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am glad to yield.

Mr. KEATING. Is it the intention of the leadership to call up the farm bill following the conclusion of the consideration of the measure now before the Senate?

Mr. MANSFIELD. It is, and that was stated at the time the original agreement was reached to refer the communications satellite bill to the Committee on Foreign Relations. That intention has been reiterated several times since then, and the leadership feels bound by the statements and pledges it has made. I am sure the Senator from New York understands that position.

Mr. KEATING. I thoroughly understand the problems which the leadership faces. Some of us are violently opposed to the farm bill; and in the allotment of our time, it is very important for us to know the intention of the leadership.

Mr. MANSFIELD. The Senator from Montana understands.

Mr. MUNDT. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. MUNDT. Is it the plan of the majority to hold a session of the Senate on Saturday for the consideration of the farm bill, or to call up the farm bill on Friday with the expectation that the voting will take place sometime in the following week?

Mr. MANSFIELD. My guess is that the vote on the farm bill might occur some time in the following week; but I believe, due to the lateness of the session, the Senate should anticipate the possibility of being in session practically every Saturday, beginning with this Saturday, to take up other measures as well, because the calendar is becoming a little heavy.

Mr. MUNDT. I take it, then, that the majority leader is not pressing for a vote on the passage of the farm bill on Saturday and is not anticipating that?

Mr. MANSFIELD. No.

Mr. LONG of Louisiana. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. LONG of Louisiana. Does the Senator from Montana understand that he does not have a unanimous-consent agreement?

Mr. MANSFIELD. Absolutely.

Mr. LONG of Louisiana. He has nothing more than a gentleman's agreement with a number of Senators.

Mr. MANSFIELD. That is correct. In turn, those Senators have my word. I am sure the understanding is mutually acceptable to both sides and will be honored by both sides.

Mr. LONG of Louisiana. But the Senator from Montana understands very well that a number of Senators are not bound by the agreement. That is understood, is it not?

Mr. MANSFIELD. I understand that. I am sure the Senate understands it. I have not made a unanimous-consent agreement. I would not, under the circumstances. If I could, I would not. It is a gentleman's agreement. I fully expect it to be honored by both sides.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Government Operations may sit tomorrow morning during the session of the Senate.

Mr. KEFAUVER. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HRUSKA. Mr. President, tomorrow the Judiciary Committee expects to hear from a number of witnesses who are scheduled to appear there in connection with the nominations of Mr. Crary and Mr. Curtis, to be district judges for the State of California, and also in connection with the nomination of Judge Thurgood Marshall.

Mr. MANSFIELD. Mr. President, permission for the committee to meet during the session of the Senate tomorrow morning has previously been granted.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, earlier today the Senate granted unanimous consent that the distinguished Senator from Oregon [Mr. MORSE] might file brief statements of explanation of various amendments. A number of Senators are running out of time. In order to save time and expedite the procedure, I ask unanimous consent or suggest that the majority leader ask unanimous consent that any Senator may file a brief statement in explanation of his amendment, the explanation to be printed at the place in the RECORD where the amendment is read.

Mr. MANSFIELD. That is perfectly agreeable. I hope the unanimous-consent agreement requested by the Senator from Tennessee will be granted.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, reserving the right to object, let me say that I understand that the Senator from Tennessee is requesting the privilege of filing a statement explaining the amendments, and to have the statement printed in the RECORD without being read, although the amendments may or may not be read.

Mr. KEFAUVER. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, do I correctly understand that the proposed agreement would apply only to amendments offered by the Senator from Tennessee?

Mr. KEFAUVER. It would apply to amendments offered by any Senator.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to know whether the explanations will be offered in the time of the Senators who submit the amendments; or would the time required for that purpose be in addition to the time otherwise available?

The PRESIDING OFFICER. The Chair understands that the regular procedure would be followed.

Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry. What is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the committee amendment, as amended.

Mr. MORSE. Mr. President, I call up my amendment identified as "8–13–62—NNNN," and ask that it be read. The statement I placed in the RECORD regarding amendment MMMM also applies to this amendment, the first portion of which is identical to MMMM. The second portion would extend the stock limitation to nonvoting and debt securities, which may far exceed the voting securities in financing the corporation.

The PRESIDING OFFICER. The amendment to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. On page 34, in line 12, it is proposed to insert the following before the period: ", and no such communications common carrier shall at any time own more than 12 per centum of such shares issued and outstanding".

On page 36, between lines 3 and 4, insert the following:

(g) The limitations applicable to voting stock in the above sections shall also be applicable to all other securities of the corporation.

Mr. MORSE. Mr. President, I submit the amendment.

Mr. PASTORE. Mr. President, I move that the amendment of the Senator from Oregon to the committee amendment, as amended, be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Oregon to the committee amendment, as amended. (Putting the question.)

The "ayes" appear to have it; and the "ayes" have it, and the motion to lay on the table is agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess——

Mr. KEATING. Mr. President——

Mr. MANSFIELD. Mr. President, I withhold my motion.

Mr. KEATING. Mr. President, it had been my purpose today to explain my reasons for supporting the satellite bill, as a member of one of the committees from which it came. However, since it is the intention of the leadership to have

the session tonight concluded, I shall withhold my statement until tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. MANSFIELD. Let me state that I did not know of this situation, and I apologize to the Senator from New York.

Mr. KEATING. Oh, no; the distinguished majority leader is always most considerate.

I shall frankly explain my purpose: I am very much opposed to the farm bill, which is about to come up. I deem it to be in the interest of the people of the State of New York, and also in the interest of other Senators who likewise are opposed to that measure, to use the balance of my time on the pending satellite bill tomorrow, rather than tonight, so as to defer action on the farm bill. I have already made public my reasons for supporting the satellite bill. I shall explain them more fully tomorrow.

The distinguished Senator from Montana is always most considerate and gracious; and certainly under no circumstances would I do anything to add to the burdens which are placed upon him. I merely state at this time that I still want the farm bill to be defeated, and shall do my utmost to persuade my colleagues to defeat it when it comes up.

ANTISEMITISM IN ARGENTINA

Mr. JAVITS. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I submit, for printing in the RECORD, a letter from the State Department.

Mr. President, there is justified concern over the threat of anti-Semitism that has been growing in the Argentine over the past 2 years. This development is marked by a constantly increasing number of anti-Jewish incidents, culminating in the shocking kidnapping of, and assault upon, a young Jewish girl.

It is generally acknowledged that the Argentine Government entertains no anti-Semitic feelings; but its promises to "crack down hard" on extremist groups, in order to halt the anti-Semitic incidents, have not been followed by arrest of the culprits and restoration of order. In part, the uneasy political situation there is to blame; but what is not generally reported is the existence of an unhappy native Nazi movement, nurtured originally by German and other European Nazi emigrees.

I have expressed to the Department of State my concern over this developing situation. I ask unanimous consent to have printed at this point in the RECORD the reply I received on August 13 from Assistant Secretary of State Dutton.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., August 13, 1962.

Hon. JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: I want to thank you for your letter to the Secretary expressing concern about reports of anti-Semitism in Argentina and Uruguay.

The Department of State with the assistance of our Embassy at Buenos Aires has for a period of 2 years been following closely the manifestations of anti-Semitism in Argentina. Our information regarding these manifestations has been supplimented by periodic receipt of data from organizations in the United States directly concerned both with threats to human rights and the welfare of Jewish communities throughout the world.

On the basis of the information available to us, it seems that most if not all of the anti-Semitic activities are attributable to small, largely covert and somewhat amorphous groups which appear to be ultranationalist in nature and to have chosen anti-Semitism as one vehicle for the expression of their personal and social hostilities. The groups construe themselves as quasi-political but it cannot be said that general public opinion in Argentina dignifies them as such. We are advised by our Embassy that the Argentine populace seems genuinely horrified by the recent violent acts and deplores the activities of those responsible for them.

Officers of the Embassy were apprised some time ago of the importance of the evidence of anti-Semitism in Argentina and were instructed to make use of suitable opportunities to point out to responsible Argentines the unfavorable world reaction to be expected from pronounced anti-Semitic activities. Following the attacks in June, our Ambassador discussed the matter with Rabbi Israel Goldstein, of New York, a member of the World Jewish Congress.

You will appreciate that since no American citizens have been involved the Ambassador was not in a position to make formal representations to the Government of Argentina. However, he reports subsequent conversations with officials of the Government who recognized that the activities of the anti-Semitic groups do not accrue to the credit of the nation and expressed the intent of the Government to cope vigorously with the outbreaks.

On June 25, 1962, a statement was issued by the Presidency of the Argentine Republic expressing the "executive power's forceful repudiation" of the acts and pledged its decision to "suppress with the full force of the law incidents of this nature which do grave injury to the social structure of the nation." This sentiment is shared, we are informed, by the Minister of Interior who is responsible for police forces in the nation. It would thus appear that Argentine authorities are fully aware of the need to take firm measures in the present circumstances. Our officers in Buenos Aires will continue to press with members of the Argentine Government the concern of all decent men whenever minority groups are subject to unlawful acts.

Our Embassy at Montevideo has provided us with the following information respecting the incidents that have occurred in Uruguay:

"The Uruguayan Minister of the Interior informed the Uruguayan House of Representatives on July 31 that measures have been taken to prevent recurrence of incidents. These included establishment of street patrols by the police reinforced by Uruguayan Army troops, highway patrols, and 100 police normally assigned to the interior of the country, as well as police raids against the headquarters of organizations suspected of involvement in the incidents.

"The Uruguayan public and press have become very concerned at these unfortunate incidents, which are thought to be the work of a very few extremist members of a society. It would appear this concern is reflected in a vigorous effort on the part of their governmental authorities to halt this series of criminal acts."

If I may be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,

FREDERICK G. DUTTON.

CORRECTION OF THE RECORD

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield, so that I may request that a correction of the RECORD be made?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. Mr. President, the CONGRESSIONAL RECORD for August 1, 1962, at page 14191, shows that I made a unanimous-consent request that a communication from the President of the Legislature of South Korea, relating to withdrawal of U.S. troops from the country, received by the Vice President, be referred to the Committee on Foreign Relations.

In fact, the communication was from the Supreme People's Assembly, Democratic People's Republic of Korea—in other words, North Korea.

This mistake could be serious, in that it implies that the South Koreans were asking the United States to get out. Certainly no such implication should arise from the RECORD.

Therefore, Mr. President, I ask that the permanent RECORD be corrected accordingly, and also that the Journal of the Senate be corrected, inasmuch as the communication was from North Korea, and I would not want any implication to the contrary to arise from the RECORD or the Journal.

The PRESIDING OFFICER. The permanent RECORD and the Journal will be corrected accordingly.

TRIBUTE TO SENATOR BYRD OF VIRGINIA

Mr. THURMOND. Mr. President, I take pleasure in calling to the attention of the Senate the cover story in the August 17, 1962, issue of Time, the weekly news magazine, on one of the most respected and popular Members ever to serve in the U.S. Senate, the distinguished senior Senator from Virginia [Mr. BYRD]. On the index page of the magazine there is a letter from the publisher, Mr. Bernhard M. Auer, which explains that a photograph of Senator BYRD has twice previously appeared on the cover of Time magazine, in conjunction with a special story on some aspect of his public service. The publisher makes the point that it has been 27 years since Senator BYRD's photograph last appeared on Time's cover, and in his comments seems to apologize for not having brought this great fiscal expert of the Senate and outstanding newsmaker to public attention with other cover stories in the intervening years.

The people of Virginia evidently appreciate the long and distinguished record of public service which Senator BYRD has rendered in their behalf during the past 37 years, dating back to his election as a State senator, and then Governor, and then his election and reelection so many times to the U.S. Senate. I am sure the members of this body recall, Mr. President, that Senator

RANGER 777

BYRD's only fiscal soft spot is in his love for national parks. He has visited nearly every one in the United States. The National Park Service, he says, is one agency that "returns $1.20 value for every $1 spent." The Service in turn clearly appreciate BYRD: he is the Service's only honorary ranger, proudly wears his silver badge No. 777 at park ceremonies. He has been climbing in the Blue Ridge—such peaks as Hawks Bill, Naked Top, Roundhead Ridge and his favored Old Rag—for 60 years. He spent his honeymoon in those mountains, got Roosevelt to start the 500-mile-long Blue Ridge Parkway, is mainly responsible for Shenandoah National Park. On each of his past two birthdays he has donated a camping shelter near Skyland; they have been dubbed "BYRD's Nest No. 1" and "BYRD's Nest No. 2." BYRD gallantly danced at the dedication of BYRD's Nest No. 2 this year.

When his Senate duties keep him away from the Blue Ridge, BYRD takes that early morning walk through Rock Creek Park—and his musings are a seminar in political history and practice, well salted with great issues and names of the past. "I've lived here ever since I came to Washington," he says as he sets out from the Shoreham. "It's nearly 30 years ago now. You know, the Shoreham was in bankruptcy when I first came here. I told 'em I didn't have any money, but they said I might as well stay until I could pay, because nobody else had any either."

He swings his cane nonchalantly at a bush, looks back to see if his aging cocker spaniel is still with him. "You know," he says, "they were telling me not too long ago that I couldn't walk any more. One winter they had some ice on those steps back there and it was covered with snow and I didn't see it, so I fell and hurt my knee and it gave me arthritis." He flexes his left knee. "They wanted to take my kneecap off, said it wouldn't cripple me and it would stop the arthritis. But I didn't like that idea much, so I did just the opposite. I went out and climbed Old Rag the next weekend. It hurt like hell, but I got up there. Now I've got it built up so I can get around all right. It's built up muscles all around that knee. Look here." He hauls up his left pant leg. "Look at the difference from the other one." He tugs up that pant leg.

ON HIS BELLY

He comes to a high wire fence sealing off the Dumbarton Oaks estate, a public haven filled with dogwood, rhododendron, and massive trees. Since it is not open so early in the morning, BYRD for years used to crawl on his belly through a hole in the fence. Then the hole was patched. BYRD hesitantly asked if he might have his own key to the gate—something the Park Service would have granted long ago at the slightest hint. "I got 'em to put in the Shenandoah Park when I was Governor. It was the depression then, but I got a million dollars out of Congress, and we raised another million. Ickes wouldn't let the mountain people stay in there. He made them all move out. I begged him not to do that. I said just let the old ones stay there and live out their lives. But this Tugwell fellow had just come back from Russia, and he and Ickes got the idea of moving them all in together.

"You know mountain people won't live close to anybody else. But they made 'em get out and burned their houses down and built two settlements for them outside the park—that cost nearly as much as the whole park did. And it didn't last very long either. They were making them all work and put everything they raised in together. One night after they'd been there about a year, one man got in and robbed the smokehouse where all the meat was, and the others got mad and they killed him. That was the end of that Russian business."

BYRD heads back down a bridle path, the Shoreham's sandy-colored brick looming above the trees. "When I was Governor they asked me if Winston Churchill could come down and visit. He wanted to see the battlefields. The only trouble was that when he got there, they told me he drank a quart of brandy a day. It was strict prohibition, and I never had allowed any in the mansion. I called up a fellow who I thought might be able to get it and said, 'John, I'm in a hell of a fix. I need you to deliver a quart of brandy to the kitchen of the Governor's mansion every day this week.'

"Churchill had some fellow with him named Lord so-and-so, and the Lord had a girl in San Francisco and was always calling her up the whole time they were there. After they left, I got a bill for those calls for $250."

HARRY BYRD walks back into the Shoreham to change his clothes and cook his own breakfast. He is ready to do a day's work on the Hill in defense of his idea that a dollar is a dollar and that economics is really a simple, commonsense subject. To a man with reminiscences like his, it does not seem illogical that he should think that he may yet teach quite a few lessons to that attractive young fellow in the White House.

THE JOURNAL

Mr. MANSFIELD. Mr. President, earlier today I had intended to ask unanimous consent that the reading of the Journal of Tuesday, August 14, and the Journal of Wednesday, August 15, be dispensed with. I now make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3428) relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3491) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and it was signed by the Vice President.

PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from the Oliver American Trading Co., Inc., of New York, N.Y., signed by Howard T. Oliver, president, relating to an investigation of the claims convention with Mexico, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 11721. An act to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose (Rept. No. 1882); and

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress that arrangements be made for viewing within the United States of certain films prepared by the U.S. Information Agency (Rept. No. 1883).

REVENUE ACT OF 1962—REPORT OF A COMMITTEE—ADDITIONAL, DISSENTING, SUPPLEMENTAL, AND MINORITY VIEWS (S. REPT. NO. 1881)

Mr. KERR. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, and I submit a report thereon.

I ask that the report be printed, together with the individual views of Senators BYRD of Virginia, GORE, WILLIAMS of Delaware, and CURTIS; the additional views of Senator MCCARTHY; the dissenting views of Senators CARLSON, BENNETT, BUTLER, CURTIS, and MORTON, and the supplemental and minority views of Senators DOUGLAS and GORE.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

William R. Tyler, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary to France;

Foy D. Kohler, of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics;

John H. Ferguson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Morocco;

William Leonhart, of West Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Tanganyika; and

Bernard T. Brennan, of New York, to be Deputy Administrator for Administration, Agency for International Development.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

S. 3645. A bill for the relief of Jean Rosen; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. KEFAUVER, and Mr. LAUSCHE):

S. 3646. A bill to amend the Communications Act of 1934, as amended, relative to merger of domestic telegraph carriers; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CURTIS (for himself, Mr. CARLSON, and Mr. RANDOLPH):

S. 3647. A bill to amend sections 4653 and 4654 of title 39, United States Code, with respect to the mailing of certain reading and other materials for the use of blind persons; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CURTIS when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH of Maine:

S. 3648. A bill authorizing the project for Narraguagus River, Maine; to the Committee on Public Works.

By Mr. DIRKSEN:

S.J. Res. 217. Joint resolution making the 17th day of September in each year a legal holiday to be known as "Constitution Day"; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. RANDOLPH:

S.J. Res. 218. Joint resolution authorizing the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of the United States of America; to the Committee on the Judiciary.

(See the remarks of Mr. RANDOLPH when he introduced the above joint resolution, which appear under a separate heading.)

SENATOR RANDOLPH INTRODUCES A RESOLUTION THAT THE UNITED STATES CONVEY ON SIR WINSTON CHURCHILL HONORARY CITIZENSHIP

Mr. RANDOLPH. Mr. President, Winston Churchill represents perhaps better than any man alive, the strong ties of love, honor, and sacrifice which so closely join the United States of America and Great Britain. As a warrior of his country, as a statesman of vision and purpose, and as a gifted leader in letters and literature and law, he will be acclaimed by generations yet unborn for a true hero of his time.

His is a genius of spirit, of character, of conviction—that urged a battered nation onward to victory over a merciless foe—that lighted a pathway through the gloom of postwar adversity, and spurred a flagging people to superhuman effort and sacrifice—that marshalled hopes and shored up faith, rekindled hope and engendered confidence.

His, the dream of unity among the democratic nations of the Atlantic; his, the idea of a fraternal association between Britain and the United States. I shall never forget that memorable day when, as a Member of the House of Representatives, I listened to his dynamic address in a joint session of the Congress.

And, Winston Churchill's courage and devotion to the cause of freedom and human dignity have served to challenge and inspire our Nation to victory in war, and to achievement in peace. Our debt to him can never be repaid. It exceeds infinity, and increases daily.

However, there is one honor, one token of rare esteem and love which is within this Nation's power to bestow, and which is worthy of Winston Churchill's place of history. The recognition of which I speak is the gift of honorary citizenship of the United States of America. Surely there is no more fitting demonstration of the respect and gratitude which we hold for this champion of mankind than the gift of citizenship—the most highly prized possession of every patriotic American. His mother was Jenny Jerome, a citizen of our Republic.

No more tangible evidence could we offer than that this Nation, through action of the Congress, authorize the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of our Republic.

To this purpose I introduce a joint resolution, which I send to the desk and request that it be appropriately referred, for what I hope will be positive action.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 218) authorizing the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of the United States of America, introduced by Mr. RANDOLPH, was received, read twice by its title, and referred to the Committee on the Judiciary.

FOOD AND AGRICULTURE ACT OF 1962—AMENDMENT

Mr. McCARTHY. Mr. President, I submit an amendment to H.R. 12391, the farm bill, as reported by the Senate Committee on Agriculture, which I intend to offer at the appropriate time on behalf of myself and the senior Senator from Minnesota [Mr. HUMPHREY], and I ask that it be printed.

The purpose of this amendment is to add a dairy program to the new version of the Senate farm bill. Last spring the administration recommended that a dairy program be enacted. Testimony was given on the rapidly rising dairy surpluses and on the increasing costs of the present dairy program to the Government. Despite these recommendations the Senate committee could not reach agreement on a dairy provision. Attempts by myself and other Senators to add a dairy provision on the floor also failed to carry.

The House of Representatives, however, has provided for a minimum voluntary reduction program in its farm bill. The amendment which I propose to offer strengthens the House provision and offers an opportunity to adopt an effective voluntary program which will improve the income of dairy farmers and at the same time cut down on surpluses and Government costs.

The dairy problem is fast approaching emergency proportions, and I believe there are solid reasons why the Senate should now adopt a temporary program even though it rejected action last spring.

There were some who believed that the drop in price supports from 82 to 75 percent of parity on April 1 would result in a substantial cut in production. This has not been the case, although production is temporarily down in some areas because of a drouth condition.

The Department of Agriculture estimates that Government expenditures for dairy purchases will be about $550 million for the current marketing year, approximately the same as for last year. The Commodity Credit Corporation is purchasing dairy products for price-support purposes at the equivalent of an annual rate of 10.5 billion pounds of the annual marketing of 119.3 billion pounds of milk. It is expected that the CCC will have to acquire 400 million pounds of butter, 250 million pounds of cheese, and 1.2 billion pounds of dry milk this year.

I have talked with many dairy farmers and representatives of major producer groups in the past few weeks. Dairy farmers are worried about the mounting surpluses and the drop in income of dairy farmers. I have been told by many dairy leaders that while they believe the majority of dairy farmers would still vote to reject a program with mandatory quotas, they would welcome an effective voluntary program.

The dairy industry is disturbed, likewise, about the possible effects of the Supreme Court decision of June 4, Lehigh Valley Cooperative Farmers, Inc., against United States, which has left the future effectiveness of Federal marketing orders in doubt.

We have a situation, then, in which dairy farmers are losing between $250 and $300 million in income because of the drop in price supports. The Government is acquiring the equivalent of about 10 percent of the milk marketed. Government costs are continuing at about the same rate and Government-held surpluses are rising rapidly.

In my judgment it is clear that the present program is not accomplishing its purpose and that a change is needed.

The House bill has the merit of recognizing the problem and of making an attempt to meet it, but the House measure lacks the potential to reduce the surplus to a significant degree or to improve the income of dairy farmers.

The House dairy provision provides for surplus reduction payments to producers of up to $2.50 per hundredweight for the amount they reduce their 1961 average marketing of milk, within a range of 10 to 25 percent. Provision is also made in the bill to permit producers in Federal order markets to make adjustments in their marketings at the surplus price rather than at the blend price. They will not be penalized in their share of the

class I sales because they participate in the program.

The amendment which I intended to propose incorporates the House provision in general. The important addition in my amendment is the provision to permit the Secretary of Agriculture to make supplemental payments to cooperating producers in addition to the surplus reduction payments.

The amount of the supplemental payment would be set by the Secretary at a rate not to exceed the difference between the U.S. average price at wholesale for milk for manufacturing purposes and 90 percent of parity for that quantity of milk the participating producer markets.

The amendment also permits the Secretary to set the general basic price support for milk at between 70 and 75 percent of parity, dependent upon supplies, but this authority would not be effective until the end of the current marketing year, March 31, 1963.

The use of this authority, of course, is confined to the period when the Secretary has the emergency program in operation. It does not replace the provisions of the basic act of 1949 but only provides a temporary exception, to be used at his discretion in order to achieve the purposes of the emergency program.

In effect the proposed dairy program is simply an application of the procedures of the temporary feed grain program to milk. The surplus reduction payments for milk are the equivalent to the payments on acreage diverted from feed grain production. The supplemental payments on the milk marketed by those choosing to enter the reduction program are equivalent to the difference between the support price offered feed grain producers and the market level at which those who do not enter the program sell their feed grains.

Of course in the dairy program it is not possible to maintain different prices in precisely the same manner as in the feed grain program. The loans and purchases used in the feed grain program for supplemental benefits to cooperators cannot be extended in the same way to individual producers on their milk. The effect of the supplemental payments for milk, however, is the same: the supplemental payments would reflect the difference between the market price and special support level, up to 90 percent of parity, as set by the Secretary for those participating.

The proposal is for a temporary program to meet the emergency situation. It would be effective for a year and a half, from October 1 of this year to March 31, 1964. The House provision of surplus reduction payments is limited to 9 months.

The program provided by my amendment gives the Secretary the flexibility to develop an effective reduction program and to improve the net income of those who participate. Because the cost of the program depends upon the level at which the Secretary sets the surplus reduction payments and also the amount of the supplemental payments—and in turn these amounts are related to available supplies—it is not possible to give an exact cost estimate. It can be stated that the program should cost less than the existing program and at the same time accomplish a substantial reduction in surpluses and surplus storage costs. The savings over the existing program would be achieved because it is cheaper to make a surplus reduction payment of $2.50 or less to the producer for not producing a hundred pounds of milk than for the CCC to pay over $4 for the milk after it is produced and processed. The economy of this procedure is estimated to be great enough to permit making the supplemental payments to cooperating producers and still realize a savings in total costs over the existing program.

The program will also improve the income of those who participate. They would receive reduction payments up to $2.50 per hundred for the amount they cut back and supplemental payments on what they market. Taken together, these payments would provide the average dairy producer with a larger net income than he would receive from his present higher production under the existing price support program. It is also clear that the whole dairy industry will be more stable and in a better economic condition if the excessive surpluses are reduced.

We are spending large amounts under the existing program; yet the Government-held supplies are increasing and the income of dairy farmers is declining. This is not the time for drifting and inaction, a policy which can only lead to a crisis in the whole industry with the result that the family-type dairy farmer is certain to be hurt.

The program which I am proposing and which Senator HUMPHREY has joined me in sponsoring is an emergency measure. It is a voluntary program. It imposes no mandatory quotas or controls. Producers who do not wish to enter the program would be free to produce as they choose at the market price. Because the Secretary would be permitted to adjust the basic price support level between 70 and 75 percent of parity, there would be no incentive for those not entering the program to expand their operations. To the extent that the Secretary used his authority to adjust the general price support between 70 and 75 percent of parity, consumer prices for dairy products would be reduced somewhat and consumption stimulated. But the purpose of the program is to establish stability in the industry and to improve farm income. I believe that once the program is in effect the market price would tend to rise above the basic price support level and that the entire dairy industry would benefit.

Mr. President, we are faced with a situation which calls for effective action. The House has approved a dairy program but it is insufficient to reduce the surplus which is now requiring the Government to purchase the equivalent of about 10 percent of the milk marketed. The Senate should act, I believe, to strengthen the House provision and to provide a temporary program to improve the income of the dairy farmer and to reduce Government costs.

I believe we could expect good participation in this type of voluntary program, just as the response to the emergency feed grain program was good and the program effective. Dairy farmers are aware of the problem and greatly concerned about it. They would respond to an opportunity to work out their difficulties, but the present program provides no procedure by which they can make adjustments in an equitable and reasonable manner.

I ask unanimous consent that the amendment I intend to propose in behalf of myself and my colleague, the senior Senator from Minnesota [Mr. HUMPHREY], be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 91, between lines 7 and 8, insert the following:

"SUBTITLE C—DAIRY

"SEC. 326. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending March 31, 1964.

"In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending March 31, 1964, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending March 31, 1964, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

"SEC. 327. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods starting on or after October 1, 1962, and ending March 31, 1964, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or fifteen thousand pounds of milk below their normal marketing levels established pursuant to section 328 of this Act for each such quarterly marketing period. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into here-

under may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

"SEC. 328. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 327 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketing during the marketing year ending March 31, 1962, or (ii) the Secretary's estimate of what would be marketed in a marketing year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961–62 marketings as he deems necessary for flood, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's prior marketing pattern, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 329. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

"SEC. 330. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

"SEC. 331. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 327, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

"SEC. 332. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

"SEC. 333. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof shall in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to surplus reduction payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"SEC. 334. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

"SEC. 335. (a) Notwithstanding section 201 (c) of the Agricultural Act of 1949, as amended, the Secretary may, in carrying out the emergency dairy program authorized in this subtitle, establish price supports for milk and butterfat at such level between 70 and 75 per centum of the parity price therefor as he deems appropriate.

"(b) The authority granted by the provisions of subsection (a) of this section shall become effective on April 1, 1963."

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Francis H. Russell, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador to the Republic of Tunisia.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. THURMOND:

Editorial entitled "Time for Senate Quiz on Three-Phase Surrender, published in the August 2, 1962, issue of the Nashville Banner, of Nashville, Tenn., dealing with efforts by State Department negotiators to conclude nuclear test ban and disarmament agreements with the Soviet Union.

By Mr. WILEY:

Editorial entitled "Triumph of Sense in the Senate," published in the New York Herald Tribune of August 15, 1962.

Letter dated August 8, 1962, from Wisconsin State Board of Vocational and Adult Education to the House Committee on Agriculture, urging a strengthening of the vocational and educational training program.

By Mr. PELL:

Editorial entitled "This Judge Talks the Right Language," published in the Woonsocket (R.I.) Call of August 3, 1962, dealing with judicial methods of handling juvenile delinquents.

By Mr. McGEE:

Excerpts from booklet entitled "In the Green River Basin of Wyoming," on the subject "The Ancient Lake," published by FMC Corp., Intermountain Chemical Co., Green River, Wyo.

By Mr. CARROLL:

Article entitled "Something New in Stockings," written by Rosalind Massow and published in Parade magazine.

Article entitled "A Running Battle Won?" written by Phyllis Nibling and published in Empire, the magazine section of the Sunday Denver Post of July 8, 1962.

CORRECTIONS OF THE RECORD

Mr. YARBOROUGH. Mr. President, I ask that my remarks in the RECORD for August 15, 1962, yesterday, may be corrected in several respects.

In the 27th line above the bottom in the middle column of page 15545, I used the phrase "the wave of the future," which was printed in the RECORD as the "the wane of the future." I ask that that be corrected.

The PRESIDING OFFICER. The correction will be made.

Mr. YARBOROUGH. In the sixth paragraph of the third column on page 14545 of the RECORD the word "grabbing" is spelled with only one "b." There should be two "b's" in the word "grabbing" and I ask that that correction be made.

The PRESIDING OFFICER. The corrections will be made.

Mr. YARBOROUGH. In the second and third columns on page 15546 I asked that similar minor corrections be made in the RECORD.

The PRESIDING OFFICER. The corrections will be made.

The corrections are as follows:

Page 15546, second column, 15th line, add "[Mr. KEFAUVER and Mr. GORE]" after the words "two great Tennesseans in the Senate."

Page 15546, second column, seventh paragraph, add "[Mr. BARTLETT and Mr. GRUENING]" after the words "Senators from Alaska."

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 20, 1962
For actions of August 17, 1962
87th-2d, No. 146

CONTENTS

Adjournment.....9
Administration program...8
Blind stands.....14
Buildings.....14
Commodities.....15
Communications.....2
Cotton.....1
Dairy.....1,12
Farm program.....1
Foreign aid.....5
Foreign trade.....3,20
Forest products.....11,18
Irrigation.....17
Land-grant colleges.....6
Lumber.....11,18
Milk.....1,12
Personnel.....13
Pesticides.....4
Public lands.....18
Reclamation.....17
Research.....16
Science.....16
Stockpiling.....10,19
Textiles.....7
Transportation.....11,15
Wheat.....1

HIGHLIGHTS: Senate began consideration of farm bill. Sen. Proxmire urged Federal aid for protection of cattle feed from fallout. Sen. Mundt submitted wheat amendment intended to be proposed to farm bill. Sen. Proxmire inserted items on dangers of uncontrolled use of pesticides. Sen. Ellender submitted and discussed measure to provide lower prices for milk produced in excess of needs.

SENATE

1. FARM PROGRAM. Began consideration of H. R. 12391, the farm bill. pp. 15874-82

Sen. Mundt submitted an amendment to be proposed to the farm bill which he stated "proposes to give to the farmer an opportunity to vote as to whether or not he desires a continuation of the present program for 2 more years or whether he wants a mandatory wheat acreage control and certificate program placed in effect." Sen. Russell commended Sen. Mundt's action and stated he was considering a similar proposal for cotton. pp. 15789-90

Sen. Proxmire discussed the dangers of fallout on the contamination of milk and submitted amendments intended to be proposed to the farm bill to authorize this Department to reimburse dairy producers for costs incurred in preventing contamination of milk by radioactive fallout, and to broaden disaster relief legislation to authorize CCC to make grain available to dairy farmers who must feed cows on stored feed to prevent radioactive contamination of milk. pp. 15887-91

Sens. Mundt, Young, N. Dak., and Proxmire submitted amendments intended to be proposed to the farm bill. p. 15894

2. COMMUNICATIONS. By a vote of 66 to 11, passed with amendmendts H. R. 11040, the communications satellite bill. pp. 15764-83, 15786-8, 15790-2, 15795-827, 15828-74, 15898-900.

3. FOREIGN TRADE. Sen. Smathers submitted amendments intended to be proposed to H. R. 11970, the foreign trade bill, to provide for the payment of trade readjustment allowances for workers from Federal funds. pp. 15893-4

4. PESTICIDES. Sen. Proxmire referred to a series of articles by Rachel Carson on the dangers of indiscriminate use of pesticides and inserted letters from this Department and the Department of the Interior stating that an ad hoc panel had been set up to study the situation. pp. 15891-2

5. FOREIGN AID. Sen. Gruening urged curtailment of foreign aid to Latin American countries unless these countries take internal reform measures to improve economic conditions. pp. 15784-5

6. LAND-GRANT COLLEGES. Sen Pell commended the land-grant colleges on their centennial anniversary. p. 15901

7. TEXTILES. Sen. Pell commended the report of a special task force of the National Academy of Science recommending "that the Federal Government assist a program of basic research on advanced education for the textile industry." pp. 15901-2

8. ADMINISTRATION PROGRAM. Sen. Goldwater inserted and criticized a recent speech by Theodore Sorensen before the Western States Democratic Conference in which he discussed achievements under the present administration. pp. 15896-8

9. ADJOURNED until Mon., Aug. 20. p. 159-2

ITEMS IN APPENDIX

10. STOCKPILING. Extension of remarks of Sen. Humphrey inserting an article describing the stockpile probe. pp. A6286-7

BILLS INTRODUCED

11. TRANSPORTATION. S. 3654, by Sen. Magnuson (by request), to exclude cargo which is lumber from conference agreements under the Shipping Act, 1916, and from certain tariff filing requirements under such act; to Commerce Committee.

12. DAIRY PRODUCTS. S. 3655, by Sen. Ellender, to reduce Government expenditures for price support for dairy products and discourage the production of excess supplies; to Agriculture and Forestry Committee. Remarks of author, pp. 15883-7

PRINTED HEARINGS RECEIVED BY THIS OFFICE

13. PERSONNEL. H. R. 2079 and H. R. 5444, to amend the Classification Act of 1949 to authorize the establishment of hazardous duty pay. H. Post Office and Civil Service Committee; and H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflicts of interest. S. Judiciary Committee.

14. BLIND STANDS. S. 394, operation of vending stands for the blind in Federal buildings. S. Government Operations Committee.

15. TRANSPORTATION. S. 3242, to strengthen the national transportation system and S. 3243, to exempt certain carriers from minimum rate regulation in transportation of bulk commodities, agricultural and fishery products. S. Commerce Committee.

16. SCIENCE. S. 2771, create a commission on Science and Technology. S. Government Operations Committee.

mechanism by which a common carrier may be required to extend its facilities to serve new points.

Let us examine the possible application of section 201(c)(3) in light of what is involved in communication via a satellite system. To have communication via the system, there are three essential elements: a foreign entity with a ground station; the satellite; and a U.S. carrier also with access to the satellite through a ground station in the United States. In this connection, it is important to remember that the corporation will, in the main, be a common carrier's carrier; that is, it will make its facilities available to those carriers and foreign entities furnishing service directly to the public. These carriers, that is, the foreign entity and the U.S. carrier will, as they do today, work out agreements between themselves for the through transmission of international traffic via the satellite system. It is expected that for the most part the carriers will use the satellite system interchangeably with existing cable and radio facilities in transmitting such traffic.

Both the foreign entity and U.S. carrier will of course be required to obtain circuit capacity in the satellite system and a ground station.

With this background, how will section 201(c)(3) work in actual operation as to the three elements: First, the foreign entity or ground station; second, the satellite corporation and the satellite; and third, the U.S. international communications common carrier.

First, as a practical matter, section 201(c)(3) would, in all probability, have no applicability to the foreign ground station, and specifically to the question of constructing such a station. That will ordinarily be a matter for the foreign country. Of course, the latter may receive technical and financial assistance from the U.S. Government and perhaps from the corporation. But that would not come within the province of the Commission or the specific statutory obligations of the corporation.

Second, as to the satellite corporation, it is also doubtful whether, as a practical matter, there will be occasion to resort to section 201(c)(3). A foreign country cannot, of course, communicate via satellite with a carrier in this country unless it has technical access to a satellite which in turn is transmitting to a ground station in this country. In the event that such a satellite and ground station are in existence because of the technological nature of the system, that is to say, that there is a properly positioned low or high altitude satellite and terminal, there would be no need to employ administrative procedures in order to secure the establishment of service between the foreign country and the United States. Under sections 201(a)(4) and (5), the Presidet could require the establishment of such service or at least could direct the corporation to take the lead in endeavoring to open such communications.

In the event that there is no satellite in existence technically capable of rendering service to the country in question, the Commission could, upon the advice of the Secretary of State or its own motion, institute proceedings under 201(c)(3) looking to the addition of the necessary satellite—and, if also needed, ground station—by the satellite corporation. For this purpose, the Commission could also invoke the provisions of section 201(c)(10) to require the corporation to make such additions to its facilities. But it should be remembered that the satellite corporation will not have sole control of the system: Under the policy of the bill, many foreign nations will participate in the system's ownership and operation. These nations will have a voice with respect to any decisions that may relate to ownership, use or expansion of the satellite system. So the decision as to the extension of service to a new foreign point will be international in the broadest sense of that term. Such a decision will clearly involve the President's responsibilities and powers under section 201(a)(4) and (5).

Furthermore, section 201(c)(3) is concerned only with communication between this country and a foreign point. But the foreign nation, on the other hand, will undoubtedly wish to communicate via the satellite with many other nations. So on this ground also the question may not be the narrow one presented under section 201(c)(3) but rather a much broader one, calling for participation and decision by many nations.

If that is the case, it is unlikely that the determination as to the need for such new service will be made pursuant to section 214(d) proceedings. It will be made at the international conference table where the U.S. position will be formulated under the supervision of the President, to the extent he deems appropriate in the interest of our national and foreign policy.

Now I shall discuss the third aspect of 201(c)(3)—the U.S. carrier which will receive the communication from the foreign entity and in turn will send communications via the satellite from this country to the foreign point. As I said, it is essential that there be such a U.S. carrier, if there is to be communication between this country and the foreign point.

Let me emphasize here that that has been no problem in the past. The record reveals no instance in which common carrier communication has not been established with any foreign point that may have desired such communication. On the contrary there have been instances where U.S. carriers have been in competition with each other to establish a circuit to a foreign point. The statistics show that telephone service is available currently via radio or cable to about 160 foreign points of which 65 points are served by direct circuits without relay through an intermediate communications system. In the case of telegraph service, as many as 70 foreign points are served directly and 180 points, many of which are remote and sparsely populated, are served by indirect routes. Where any foreign country desires communication with the United States, that desire has been fully satisfied by the establishment of service via cable or radio.

We anticipate that this same pattern of extensive service will continue in the new field of satellite communications. We see no reason to think otherwise. If we are wrong—if the pattern does not continue, then we have available sections 201(c)(3) and 214(d) to require such service.

AMERICAN ENTERPRISE IS THE HOPE OF AMERICA

Mr. President, I shall not detain the Senate very long. As a matter of fact, I shall speak for not more than 5 or 6 minutes.

A great deal has ben said, but I tell the Members of the Senate that it has been a joy and a pleasure for me to work with the majority leader, Senator MANSFIELD, who has been very helpful at every turn. I know that some very mean and unkind things have been said in the discussion of the proposed legislation. I know that in most instances it was caused by the excitement and emotion of the moment. However, no matter what the reason might be, when something mean and cruel is said, unfortunately, for the moment it finds its mark and has its effect. Let all that be behind us now.

Russia at this moment is in a very festive mood. I know it must be an hour of jubilation, because we experienced it ourselves, here in this very chamber when, a short time ago, our astronaut Glenn orbited the earth three times. The Russians orbited not one cosmonaut but two at the same time, and they communicated with one another for more than 50 times in space.

I recall a short time ago that the President came before us in joint session and said it was the plan and the purpose of the United States to land the first man on the moon. That promise, that hope, that prayer has become a little dim, because of the accomplishments of the Russians in space.

I do know one thing, Mr. President, there are fields in which we do excell. If we search throughout the world to find the best telephonic system, where will we find it? Where will we go to find it but in the United States of America? Who made it possible in the United States but private industry?

If we went out to find the best radio in the world, where would we find it? We would find it in the United States of America. Who gave it to the people of the United States of America on a gratis basis, if it was not private industry?

If we turn on television, who gave it to the United States of America, if it was not NBC, CBS, and ABC. Who are they? Private industry in America has made American science glorious and great. Perhaps the Russians may land the first man on the moon. That will be a sad day for us in America. It may be a loss of prestige. Maybe we have lost that fight. I pray here tonight that we have not.

However, I do know one thing. If the message of America is to be brought

to all the corners of the world, it can only be done through the ingenuity of what exists in America today. Where will we look for it? Where will we find it? Will we find it in bureaucracy? Will we find it in the FCC? Will we find it anywhere but in A.T. & T., Western Union, I.T. & T., RCA, NBC, ABC, or CBS? That is American private industry.

What the bill does is to bring all of American ingenuity, public and private, official and individual, under one roof. That is what the bill does. If anyone wishes to call that a monopoly, call it a monopoly. If it is a monopoly of American brains in this contest in which we find ourselves, O God, let us have that monopoly.

Yes, I have searched my soul on this bill, just as every Member of this Senate has. I struggled with myself. It was not easy to be against DOUGLAS; not for PASTORE. It was not easy to be against MORSE, not for PASTORE. It was not easy to be against YARBOROUGH and GORE, not for PASTORE. I have been with them too long here. But I have lived with this bill. I know what is in it. I know what it means. If we kill this bill tonight we remain without a program. The administration has planned everything in this bill. If we kill the bill, we must start anew. We must begin formulating our plans all over again.

We must do that, because we will have nothing. This bill is what the administration has suggested. It is what President Kennedy has said time and time and time again that he wants. Let him who wishes to do so give it a vicious name, or label it as he will. However, let me say this. All of us in a sense are sinners. None of us is perfect. But as my God looks at me tonight, with all that I have done in this bill and all that I have fought to do with this bill, and all that I know that is in this bill, I can look Him straight in the face.

SEVERAL SENATORS. Vote! Vote!

Mr. MORTON. Mr. President, I will take only 50 seconds. Let us get back to the substance of this bill, if we may. This is a telephone bill, as I understand it. I remember 40 years ago at my grandfather's house in the country we had two telephones, one from the home company and one from the Cumberland Co. This was before the days of A.T. & T. and before Southern Bell Telephone Co.

I think it is a good thing that we do not have five or six different telephones in every home. I think it is a good thing that we are practically at the point of passing the pending bill.

Mr. LAUSCHE. Mr. President, the curtain on this play will drop in a few minutes. There have been many sideshows on the bill. The true play has revolved around whether we shall have public or private ownership. That has been the issue throughout the whole presentation on the bill. As for me, I want private industry. I subscribe fully to what the Senator from Rhode Island has said. Let the curtain go down. As far as I am concerned, I will follow the course that all past experience has demonstrated to be the best for our country. When private enterprise can operate a system, let it do it.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the passage of the bill.

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MUSKIE (when his name was called). On this vote I have a pair with the senior Senator from Pennsylvania [Mr. CLARK]. If present and voting, he would vote "nay." Were I at liberty to vote, I would vote "yea." I withhold my vote.

Mr. SMITH of Massachusetts (when his name was called). On this vote I have a live pair with the junior Senator from Colorado [Mr. CARROLL]. Were he present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. METCALF (after having voted in the affirmative). On this vote I have a pair with the junior Senator from Alaska [Mr. GRUENING]. If he were present and voting, he would vote "nay." Were I at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Wyoming [Mr. HICKEY], are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Georgia [Mr. RUSSELL], would each vote "yea."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Florida would vote "yea," and the Senator from Idaho would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Maryland [Mr. BUTLER, and Mr. BEALL], the Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KUCHEL], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent and, if present and voting, would each vote "yea."

The result was announced—yeas 66, nays 11, as follows:

[No. 208 Leg.]

YEAS—66

Aiken	Hayden	Morton
Bennett	Hickenlooper	Mundt
Boggs	Hill	Pastore
Bottum	Holland	Pearson
Bush	Hruska	Pell
Byrd, Va.	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Jordan, N.C.	Robertson
Case	Jordan, Idaho	Scott
Chavez	Keating	Smith, Maine
Cooper	Kerr	Sparkman
Cotton	Lausche	Stennis
Curtis	Long, Mo.	Symington
Dirksen	Long, Hawaii	Talmadge
Dodd	Magnuson	Thurmond
Ellender	Mansfield	Tower
Ervin	McCarthy	Wiley
Fong	McClellan	Williams, N.J.
Goldwater	McGee	Williams, Del.
Hart	Miller	Young, N. Dak.
Hartke	Monroney	Young, Ohio

NAYS—11

Bartlett	Kefauver	Moss
Burdick	Long, La.	Neuberger
Douglas	McNamara	Yarborough
Gore	Morse	

NOT VOTING—23

Allott	Clark	Metcalf
Anderson	Eastland	Murphy
Beall	Engle	Muskie
Bible	Fulbright	Russell
Butler	Gruening	Saltonstall
Capehart	Hickey	Smathers
Carroll	Johnston	Smith, Mass.
Church	Kuchel	

So the bill (H.R. 11040) was passed.

Mr. KERR. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the satellite communications system bill, as passed by the Senate, be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1746, House bill 12391, the bill to improve and protect farm income, and so forth.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided*, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further*, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated mandays of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further*, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds.

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: *Provided*, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and

substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 feed grain program

SEC. 301. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producer shall participate in the special agricultural conservation program for 1963 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided*, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided further*, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provisions of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: *Provided, however*, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in the special agricultural conservation program of 1963 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105(c)(6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, nothwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Nothwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

Subtitle B—Wheat

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circum-

stances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"National Marketing Quota

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he sall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"National Acreage Allotment

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87-357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand ,therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increasure shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"Commercial Area

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Small farm exemption

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957-1961, or such later

five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (ii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Referendum

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the refendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"Land Use

"SEC. 339. (a)(1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided,* That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further,* That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authoraized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in

carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) by amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

Wheat Marketing Allocation Program

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"Subtitle D—Wheat marketing allocation

"Legislative Findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"Wheat marketing allocation

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"Marketing certificates

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such

year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"Marketing Restrictions

"SEC. 379. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"Assistance in Purchase and Sale of Marketing Certificates

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"Conversion Factors

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"Authority To Facilitate Transition

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"Reports and Records

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"Penalties

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"Regulations

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines ap-

propriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

"(6) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: *"Provided,* That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities.";

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities,"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration,' in the Department of Agriculture appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Money in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

SEC. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

SEC. 404. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Declarations and findings

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber, by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and by-products will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or by-product uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

Agricultural Research and Industrial Use Administration

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advise and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities

owned by the Commodity Credit Corporation.

Salaries

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS–18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided,* That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

Powers and Duties

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

Transfer of Government Plants

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: *Provided,* That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

Definition of "Agricultural Products"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

Annual Report

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activties under this title.

Savings Provision

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

Appropriations

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Mr. HICKENLOOPER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Is it the intention of the acting majority leader to have anything done on this bill tonight?

Mr. HUMPHREY. No.

Mr. HICKENLOOPER. Or is it the intention merely to lay the bill before the Senate at this time?

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. Do I correctly understand that the debate on the farm bill will begin on Monday?

Mr. HUMPHREY. That is correct.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

DIPLOMATIC AND FOREIGN SERVICE AMBASSADORS

The Chief Clerk read the nomination of Foy D. Kohler, of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John H. Ferguson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Leonhart, of West Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Tanganyika.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The Chief Clerk read the nomination of Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

The VICE PRESIDENT. Without objection——

Mr. THURMOND. Mr. President, I object to consideration at this time of the nomination of Mr. Bohlen to be Ambassador to France.

The VICE PRESIDENT. The Senator has a right to object, but an objection cannot block consideration of the nomination.

The legislaion, he said, presented "both a challenge and an opportunity to private enterprise in insurance."

He added that "only time and experience will demonstrate the extent to which commercial carriers may be successful in broadening the health insurance coverage of persons of advanced years through the new association and any others that may be formed."

Mr. KEATING. Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from New York has 5½ minutes remaining.

Mr. KEATING. I reserve the 5½ minutes.

THE FARM BILL

During the delivery of Mr. KEATING's address,

Mr. KEATING. Mr. President, may I inquire whether I correctly understand that I am not permitted to yield to another Senator in his own time?

The PRESIDING OFFICER. The Senator is correct.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

Mr. KEATING. Mr. President, if I yield for the purpose of propounding a parliamentary inquiry, may I do so in my time?

The PRESIDING OFFICER. The Senator may yield for that purpose in his own time.

Mr. KEATING. I yield.

Mr. MUNDT. I should like to propound the parliamentary inquiry, since I have an hour allotted to me on the bill, whether it is permissible for me to use 1 minute of that time to submit two amendments to the farm bill.

The PRESIDING OFFICER. The time is now being charged to the Senator from New York.

Mr. KEATING. Mr. President, I have previously yielded the floor, and that is the only way in which I can do what the Senator wishes. If the Senator is pressed in some way, I will yield the floor to him and resume the floor after he has completed his statement.

The PRESIDING OFFICER. Is there objection to the Senator from New York yielding to the Senator from South Dakota and having the time charged to the Senator from South Dakota?

Mr. RUSSELL. Mr. President, I did not understand the question of the Chair?

The PRESIDING OFFICER. Is there objection to the Senator from New York yielding to the Senator from South Dakota, the time to be charged to the Senator from South Dakota?

Mr. RUSSELL. Mr. President, must that be done by unanimous consent, or has the Chair ruled that it can be done as a matter of right under rule XXII?

The PRESIDING OFFICER. It cannot be done as a matter of right. It can only be done by unanimous consent. Is there objection? The Chair hears none.

Mr. MUNDT. I thank the Chair, and I thank the distinguished Members of the Senate, particularly the Senator from New York.

Mr. President, I send to the desk two amendments to the farm bill, which we will be working with and legislating on following the termination of the debate on the bill presently before the Senate.

I call special attention to the amendment which I have submitted which would restore the intent of the farm bill, so far as wheat is concerned, to precisely the same position it occupied when the bill left the Senate Committee on Agriculture and Forestry in May of this year. The amendment proposes to give to the farmer an opportunity to vote as to whether or not he desires a continuation of the present program for 2 more years or whether he wants a mandatory wheat acreage control and certificate program placed in effect. In view of the fact that the morning press has reported that an agreement has been reached by "farm leaders in the Senate," of which, I may say, I have heard nothing except what I have read in the newspapers, an agreement may have been reached to drop the fight for mandatory feed grain acreage control. Certainly that is an eventuality devoutly to be desired, if it has been achieved, and thus permit the present program to be extended for 1 year on feed grains. I certainly think a similar extension should be given to the wheat farmers, and that the wheat farmers should be permitted to vote on whether or not they want a permanent program following the next crop year or a simple extension of the present program, as is being afforded the feed grain producer. I happen to believe that there is no reason why the U.S. Senate should seek to disenfranchise the U.S. wheat farmer alone in this country.

I shall discuss my amendment fully during the debate on the farm bill, but I desire to have it printed and lie on the table so that all my colleagues can be familiar with my intentions as to wheat.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. KEATING. Mr. President, I believe I have the floor.

Mr. RUSSELL. The Senator from New York received unanimous consent to let the Senator from South Dakota have the floor. He cannot take the Senator from South Dakota off the floor now.

Mr. KEATING. My understanding was that I would yield to the Senator from South Dakota, and that I would yield to him in his time under the unanimous-consent agreement.

Mr. RUSSELL. That is correct. The Senator from South Dakota has the floor under all the rules of the Senate, and it will revert to the Senator from New York when the Senator from South Dakota yields to him.

Mr. KEATING. I did not understand that to be the situation.

The PRESIDING OFFICER. Did the Senator from South Dakota yield the floor?

Mr. MUNDT. I did not yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. KEATING. Does the Chair rule that the Senator from New York has been taken off the floor?

The PRESIDING OFFICER. The Senator from New York yielded to the Senator from South Dakota for the purpose of making a parliamentary inquiry, the time to be charged to the Senator from South Dakota. That is the only purpose for which he yielded.

Mr. KEATING. Does not the floor revert to the Senator from New York?

The PRESIDING OFFICER. When the Senator from South Dakota has completed his parliamentary inquiry, it reverts to the Senator from New York.

Mr. KEATING. I am happy to yield briefly to my friend from Georgia.

Mr. RUSSELL. I do not ask the Senator from New York to yield to me. This is in the time of the Senator from South Dakota. The Chair has stated the unanimous-consent request, and I ask the Chair to restate it.

The PRESIDING OFFICER. The Senator from New York yielded to the Senator from South Dakota for making a parliamentary inquiry. Then unanimous consent was secured to permit that time to run against the Senator from South Dakota.

Mr. RUSSELL. The Senator from South Dakota has the floor. I am very much interested in the proposal that the Senator from South Dakota is making. I have been considering undertaking to get a similar privilege granted to the cotton farmer. I will be glad to discuss it with the Senator from South Dakota when we come to the consideration of the farm bill. I am considering having a similar agreement made with respect to the producers of both commodities.

Mr. MUNDT. Of course it would require a separate amendment.

Mr. RUSSELL. Oh, yes. I am preparing some amendments to the farm bill.

Mr. MUNDT. I would support the Senator in his amendment. It seems to me that we should give the farmer some discretion in the making of these decisions.

Mr. RUSSELL. I am completely in agreement with the Senator on that point. The farmer has had little discretion lately, except to vote himself under quotas. I would like to see him share in this program, for which the Senator has fought so valiantly for the wheat farmer. I commend him for making such a fight for the wheat farmer. I hope those who are supposed to represent the cotton farmer will be willing to make an equally strong fight for the producers of cotton.

Mr. MUNDT. The Senator from Georgia has made a valid point. I shall be happy to discuss it with him when the farm bill is before us. Now I am happy to yield the floor.

Mr. KEATING. Do I understand that the colloquy which has been taking place between the Senator from South Dakota and the Senator from Georgia is charged to the Senator from South Dakota?

The PRESIDING OFFICER. That is correct.

Mr. KEATING. May I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. KEATING. I ask unanimous consent that the remarks of the Senator from South Dakota and the colloquy which followed be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. HRUSKA. Mr. President, I support H.R. 11040, a bill already approved by the House, which provides the business arrangements whereby a commercial communications satellite system is to be established, owned, operated, and regulated.

THE SUCCESS OF TELSTAR

All of America was thrilled on July 10 of this year. The American Telephone & Telegraph Co., in collaboration with the Government through NASA—National Aeronautics and Space Administration—launched the Telstar satellite which was the breakthrough on transoceanic television and radio by means of satellite. All of us know, however, that this event was preceded by a great deal of research and pioneering in that field. NASA itself was established in 1958, and at that time it joined the research and pioneering efforts that were already being made in that field. However, the American Telephone & Telegraph Co. was the leader and pioneer. It is reported to have spent some $50 million in the design and manufacture of the equipment and instruments, in its tracking station and equipment at Andover, Maine, in the training of men for the job, and in a host of other ways, to reach the Telstar success which actually followed.

They did exceedingly well because the very first trial of the experiment was a signal and spectacular success. It will still be a long and painstaking process before a satellite communications system will be totally perfected for constant operation in daily commercial use, but the eventual success is definitely assured.

It should be noted at the outset that in all of its research and development of this project the A.T. & T. used its own money and not that of the Government. A contract was entered into with NASA to launch the Telstar projectile and it cost A.T. & T. $2.7 million to get that satellite into orbit.

PRE-TELSTAR STRUGGLE

For a long time before Telstar was launched, a great struggle was going on as to how and by whom such a satellite communications system would be organized, operated, owned and controlled. The central question was whether it would be by the Government or by private enterprise. That is still the central issue in this debate. As early as July 1960 A.T. & T. reported to the Federal Communications Commission, calling for allocation of frequencies for space communications and outlining a proposal for worldwide telephone and television hookup using about 50 satellites in low polar orbits at an estimated basic cost of $170 million. There was a good deal of official encouragement of this approach by both NASA and FCC—Federal Communications Commission. President Kennedy referred the matter to the Space Council headed by Vice President LYNDON JOHNSON, asking for recommendations as to how a space communications system could best be brought into operation at the earliest practical time.

President Kennedy, on July 24 last year, upon receipt of the Space Council's report, issued a statement asserting and taking the position that "private ownership and operation of the U.S. portion of the system is favored." He stipulated a number of policy requirements to be met. In the main as the legislation developed, those requirements were incorporated into the legislative measure before us.

Hearings were held on this legislation in House committees last year.

A bill was reported to the House, debated there, and passed by a vote of 354 to 9 in the month of May.

On the Senate side H.R. 11040 and like measures were very thoroughly considered by several committees, including: Monopoly Subcommittee of the Small Business Committee; the Commerce Committee; the Aeronautical and Space Sciences Committee; the Antitrust and Monopoly Subcommittee of the Judiciary Committee, of which the Senator from Nebraska is a member; and the Foreign Relations Committee. Literally thousands of pages of testimony were printed and made available to Members of Congress.

In each instance in which a committee reported, its report was favorable to the bill we are debating. The Kennedy administration is in full support of the bill. This was shown by testimony of the Secretary of State, the Attorney General, the Federal Communications Commission, the space agency—NASA—National Space Council, and others.

It was a happy day when the conclusion was reached, as a matter of policy, that this newest phase of communication would be developed through private ownership. This assures a workable and efficient operation of a system which will mean so much in terms of our national leadership and the advancement of the cause of peace. As all of us know, there is hovering in the background the menace of Soviet progress in the same field. It is of tremendous importance that we retain, and even increase, the unquestioned lead which America possesses in this regard.

The charges of giveaway and of monopoly, raised by opponents of H.R. 11040, have a hollow ring. They possess no real or ultimate merit whatsoever. They consist of tired, outworn arguments which long ago have been discarded by all but a very small, although tenacious and willful, group.

The business arrangement provided for in the bill calls for 50 percent of the capital to be subscribed by companies in the communications business, and 50 percent to be sold to the public, through stock issues. Six directors will be named by the communications companies; six will be elected by the owners of publicly issued stock; and three directors will be appointed by the President, and confirmed by the Senate. Ample provisions are made for regulation by the Government agencies in the field. This is in keeping with the longtime national policy of having such monopolistic ventures subjected to Government regulation.

In a sense, all communications companies are monopolies. This applies to A.T. & T. and to all of the other companies which will subscribe to 50 percent of the stock. Years ago, America struggled with the vexations problem of how to reconcile the need for such public utilities which are monopolies and the need for competition within industry generally. As a result, there are regulation and supervision in many, many ways in all communications companies. Yet they are free to conduct their business in many ways separate and apart from Government action. This combination has been highly successful. Proof of this is found in the fact that in America we have the best, the most efficient, and the most economical communications system in the world. Anyone who ventures beyond the borders of the 50 States experiences, among his very first impressions, the vast difference between communications in foreign countries and those he has taken for granted in his own home State. The quality of service provided by private enterprise as we know it is superior in every way.

The thinking and the philosophy behind the arrangement provided by H.R. 11040 are to retain the benefits of that system.

THE "GIVEAWAY" PHANTOM

The charge of "giveaway" has an old and familiar ring. However, it is generally discarded and disregarded.

That notion as applied to H.R. 11040 has been repudiated on a bipartisan and widely based foundation in many ways: The overwhelming action in the House of Representatives, by a vote of 354 to 9; and the reports of the congressional committees and of all of the Government agencies, as well as President's Kennedy's position.

Joseph A. Beirne is president of the Communications Workers of America, AFL–CIO. When he testified before the Senate Communications Subcommittee, the idea of "a gigantic giveaway program" was discussed as follows:

Senator PASTORE. May I ask a question at this point, Mr. Beirne? What have you to say to this slogan that has developed or this postion that has been taken by some that this is a gigantic giveaway program?

Mr. BEIRNE. Well, I do not share that view at all. I think there is specious reasoning being employed here. I think of the development of many things in the United States that could be called a giveaway.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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CONTENTS

Atomic energy.....34
Awards.....18
Communications.....15
Copyrights.....11
Data processing.....27
Electrification.....7
Employment.....32
Extension service.....22
Farm labor.....26
Farm program.....1,30
Feed grains.....1
Food additives.....33
Food and drugs.....6
Food prices.....9
Foreign affairs.....8
Foreign agriculture.....9
Foreign trade.....2,5,32
Forestry.....21
Holidays.....12
Imports.....32
Laws..... 17,35
Life insurance.....3
Loans.....19
National defense.....36
Oceanography.....25
Personnel.....3 ,12,20
Political activity.....20
Prices.....31
Property.....4
Public Law 480.....10
Public works.....29
Radioactive food.....34
Reclamation.....16
Reports.....10
Roads.....28
Science.....18
Small business.....13
Stockpiling.....14
Trade fairs.....5
Travel expenses.....20
Veterans.....23
Wildlife.....4

HIGHLIGHTS: Senate debated farm bill. Sen. Proxmire urged continuation of voluntary feed grains program. Sen. Humphrey expressed concern over Common Market tariffs on agricultural imports. Sen. Humphrey discussed possible effects of Common Market on communist-dominated countries. Sen. Tower inserted article discussing pros and cons of Britain joining Common Market. Sen. Long, Mo., commended USDA conferences on land and people. House passed bill to add lands to certain national forests. House passed bill to revise distribution formula for extension funds.

SENATE

1. FARM PROGRAM. Continued debate on H. R. 12391, the farm bill (pp. 16044, 16063-85, 16098-101). Agreed to an amendment by Sen. Humphrey expressing the sense of Congress that private trade channels should be used to the maximum extent possible in the marketing of farm commodities (p. 16085). Agreed to an amendment by Sen. Humphrey expressing the sense of Congress that the services and facilities of farmer owned and operated associations of producers should be utilized when the Secretary determines their use will result in more effective or economical administration of programs (p. 16085). Sens. Keating, Tower, Ellender, Young, N. Dak., Russell, Fulbright, and Hart submitted amendments intended to be proposed to this bill (pp. 16022-3, 16091).

Sen. Proxmire commended and urged extension of the voluntary feed grains program, and inserted an item critical of the farm policy report of the Committee for Economic Development. pp. 16045-7

Sen. Long, Mo., commended the regional conferences on land and people sponsored by this Department to be held during Sept. and Oct. p. 16039

2. FOREIGN TRADE. Sen. Humphrey expressed concern over the possible adverse effects of the new tariff system of the European Common Market on the exports of U. S. farm commodities, stated that the "United States cannot afford to sacrifice its agricultural trade with an expanded European Economic Community," and inserted an article on the subject. pp. 16087-8

Sen. Humphrey discussed the probable effects of the European Common Market on the communist-dominated countries of Eastern Europe and inserted articles discussing the situation. pp. 16101-5

Sen. Tower stated that there "are some very compelling reasons why Britain should not join" the European Common Market and inserted an article, "EEC: The Case Against Joining." pp. 16050-1

3. PERSONNEL. Passed without amendment H. R. 8564, to provide for the escheat of the unclaimed payments under the Government life insurance program to the credit of the life insurance fund. This bill will now be sent to the President. p. 16036

4. WILDLIFE; PROPERTY. Passed without amendment S. 2358, to authorize transfers to the Secretary of the Interior of excess real property which GSA determines is useful for the purpose of wildlife conservation and authorizes State wildlife agencies to obtain such property determined to be chiefly valuable for wildlife conservation. pp. 16033-4

5. TRADE FAIRS. Passed as reported S. 3389, to promote the foreign commerce of the U. S. through the use of mobile trade fairs. pp. 16105-6

6. FOOD AND DRUGS. The "Daily Digest" states that the Judiciary Committee "announced that it had completed consideration of additional amendments recommended by the President to S. 1552, proposed Drug Industry Antitrust Act...and agreed to report to the Senate an amendment to serve as a substitute for the text of the bill as reported by the committee on July 19, 1962." p. D746

7. ELECTRIFICATION. Sen. Mansfield and others commended the Bonneville Power Administration on its 25th anniversary. pp. 16023-33

8. FOREIGN AFFAIRS. Sens. Morse and McCarthy inserted speeches by Brazilian Ambassador Campos on problems involved in our relations with Latin America. pp.16040-4

9. FOOD; FOREIGN AGRICULTURE. Sen. Proxmire inserted an article on the food situation in Cuba, "Rise in Food Prices in Havana Continues as Quality Declines." p. 16049

10. PUBLIC LAW 480. Both Houses received from the President the 16th semiannual report on activities under Public Law 480 (H. Doc. 526). pp. 15904, 16021

11. COPYRIGHTS. The Judiciary Committee reported without amendment H. J. Res. 627, to continue until Dec. 31, 1965, the renewal term of any copyright, subsisting on the date of approval of the resolution, where such renewal term would otherwise expire prior to Dec. 31, 1965 (S. Rept. 1888). p. 16022

12. HOLIDAYS. The Judiciary Committee reported without amendment S. J. Res. 217, making Sept. 17 each year a legal holiday to be known as Constitution Day (S. Rept. 1902). p. 16022

after half a century of debate, and immediately the World Bank increased the cautiousness of its movements, shifting resources to other continents and even lending to some countries that cannot at all be called underdeveloped. We fear that the same effect has occurred in the existing institutions of credit since the Alliance for Progress was announced. The Eximbank for instance, appears to have found that it is overcommitted in relation to some Latin American countries, when the whole concept of the Alliance for Progress is that the United States is undercommitted in Latin America and that the flow of funds must be greatly accelerated.

This intriguing paradox is a dangerous one. It seems that every increase in the general level of confidence on the availablity of capital for development has the consequences of lowering the actual flow of capital from each of the sources concerned. And yet, the total sum of the funds available to underdeveloped countries is but the aggregate of these unitary inputs.

We have here somewhat of a magic expectation. And magical substances combined with unsatisfied hopes can be highly explosive.

Another aspect of this antinomy is rooted in the diverse and often incompatible motivation of the AID legislation. This legislation is geared to the basic purpose of promoting economic and social development. But it is also a protectionist instrument. Such requirements for instance, as that 50 percent of the weight (and not only of the value) of the financed goods (with a separate demonstration for each type of cargo-liner, bulk and tanker) be shipped on American bottoms, unless unavailable, impose, first, a tremendous bureaucratic exercise, and, second, compel the recipient countries, which so far had been advised to move in the direction of liberalizing exchange and trade controls, to reestablish extensive controls of foreign trade. For balance-of-payment reasons, the system of tied loans has also been established. In addition to being of doubtful effectiveness, except if the recipient country establishes trade controls to alter its overall pattern of demand, it again creates a serious administrative rigidity, particularly in the case of loans for the local cost component of social development projects which do not depend on specific imports. Another operational complication we have had to face is that the financing from AID is contingent upon nonavailability of other sources of free world financing on reasonable terms and conditions.

In most cases, financing offers are obtainable from other sources, but on shorter terms and higher interest rates than those available in AID. The task of evaluating the reasonableness of other sources of free world financing is highly subjective; it has been a major retarding factor in loan decisions and is difficult to reconcile with another objective of the AID program; namely, the stimulation of American exports. It is now likely that another feature will be inserted in the legislation, transforming it into an instrument to enforce the payment of compensation on expropriated properties. Respectable as this objective may be—I do not propose to discuss its merits—one may express concern lest the multiplicity of objectives of the legislation render it so difficult to administer that disbursements will slow down to a trickle.

Finally we come to the antinomy of trade versus aid. It has been estimated that the amount of dollars Latin American countries have failed to receive, in recent years, as a result of declining prices of their exports to the United States, is comparable, and in some instances superior to the amount of dollars received under the form of loans and grants from the United States.

It would seem much more natural if the Latin American countries could obtain a substantial amount of the foreign exchange they need for their economic development through the normal channel of international commerce. Aid could well be meant to be a supplement to this natural source of funds. Yet, since the international trade in primary commodities deteriorated so far that aid has become, for some countries, the main external supplier of funds for development, then one ought at least to make sure that hard currency income from exports shall not continue its downward trend, for otherwise losses in trade would offset the flow of grants and loans.

Two months ago the Colombian Minister of Finance, Mr. Jorge Mejia Palacio, declared: "I come from a country that has received substantial assistance from the Alliance * * * Nevertheless, the losses suffered in the coffee market since the Punta del Este Conference are two or three times greater than the special aid received."

The seriousness of the problem can be illustrated by a few numerical examples. Between 1953 and 1961 the weighted average price of Latin American exports to the United States (excluding Cuba and Venezuela) fell by 20 percent while the U.S. export prices rose by 10 percent. If Latin American export prices had remained at 1953 levels, the volume of their exports to this country in 1961 would have yielded an additional revenue of the United States, $1.4 billion in 1961 alone, a sum which exceeded the entire flow of U.S. funds from any source, including private capital, last year.

In the last 2 years alone, which encompass the drawing of the Bogotá Act and the launching of the Alliance for Progress, cocoa has declined in price by 26 percent, sugar by 20 percent, coffee by a further 8 percent, after a continuous fall since 1955. It might be recalled that a drop of 1 cent in the price of coffee may signify for Latin America a loss of exchange resources of close to $40 to $50 million, thus nullifying the effects of months of painful loan negotiations.

While I do not pretend to impart any special rigor to those computations, they underline a striking fact. To a very large extent the flow of capital from all U.S. sources to Latin America did not even compensate in net terms for the decline in prices of primary commodities in Latin America. This may perhaps provide a clue to the frustrating verification that despite what is mistakenly regarded as a substantial flow of funds to Latin America in the last decade, the perilous drift towards stagnation or abatement of the growth rate of the countries south of Rio Grande has not been detained.

The truth is that there has not been any net transfer of real resources. What Latin America has received in the way of financial resources, via loans and grants, is barely equivalent to the resources it has yielded to the American economy, whose taxpayers and consumers enjoyed lower prices for raw materials and food products.

This is of little consolation to the taxpayer for his tax burden is precise and measurable, while the benefit he receives as a consumer of Latin American products is diffused and invisible. But the fact remains that the U.S. economy as a whole has not lost treasure and substance in helping Latin America and has suffered no shrinkage in its gross retained product, while the Latin American countries have obtained no net addition to their real resources and have been saddled with an additional debt burden. This also underlines the sad lack of perceptiveness of the conventional banking wisdom which sees in the balance-of-payments difficulties of Latin America merely the result of inflationary debauchery, to be purged by the denial of loans and by pious exhortations to put our house in order when international trade is in disorder.

The unnaturalness of this situation calls for urgent remedy. In the Charter of Punta del Este the American Republics agreed to promote measures to regulate the market of primary products. Immediate and decisive steps should be taken now to cope with this serious problem lest the good purpose of aid be destroyed by the vagaries of trade.

The solution of these unresolved antinomies will be of fateful import for the Alliance for Progress. They affect and involve both Latin and North Americans. And we both must strive to solve them. For anguishing contradiction and conflicting motivations are part of the human burden and disappear not with the decision to develop or even with the achievements of development.

CONCLUSIONS

Let us look, with more fatigue than satisfaction, at the results of our inquiry.

We have reminded ourselves that the Alliance is not an exercise in a political vacuum but in a social context. Hence the need to create a mystique, capable of eliciting a sense of personal and national involvement and to act as a countermyth to the Socialist lure.

On the political and psychological front there must be an effort to understand the popular aspirations of Latin America to build their own society in their own ways. And above all to see in historical perspective the rise of nationalism—at times irreducible to rational models—and the need for those countries, as their self reliance grows, to express their own personality in world affairs. As a great democracy, trained in the techniques of persuasion and not of oppression, the United States is better equipped to understand and accept the pluralism of new societies, than its Soviet rival. It should find it better to work with a concert of allies than with a choir of satellites.

Some false assumptions must be discarded. There is no sense in exaggerating the burden placed on the U.S. economy by the launching of the Alliance, which in fact, to judge from present magnitudes, is likely to represent a much lesser effort, in real terms, than that involved in the Marshall plan. And an effort which comes at time when the American economy has idle resources that could be fruitfully mobilized.

The stereotype view that money has been poured down the drain in Latin America enriching only a few has been overplayed. The bulk of the investment has been productive even though social injustice still prevails, the pattern of investment remains unbalanced and a relentless effort must be made to achieve desirable reforms, which alone can in the long run yield self-sustained growth and political stability.

But the success or failure of the Alliance hinges on the solution of its basic antinomies. Firstly, the need to enlist popular support and eliminate skepticism requires the carrying out of impact projects independently from long-term reforms or adherence to canons of monetary stability. This is not an underestimation of the importance of the reforms or a counsel for laxity in their pursuit. It is simply a recognition of the fact that if popular confidence in the Alliance is created by the evidence of concrete deeds, the reforms will become a popular reinvidication and not an abstract social prescription.

The solution of the second antinomy presupposes a delicate balance between social investment and directly productive economic investment. The first abates social unrest and tensions but only the second can provide the basis for self-sustaining growth. The third antinomy is that of consented reform versus revolutionary

change. The path of consented reform is slow, at times reticent, but enduring; the revolutionary alternative may bring quick reform but at the cost of the immeasurable peril of social convulsion. The fourth antinomy relates to planning and free enterprise. Social pressures for development in the modern context require a large degree of government intervention, while political factors may impose the reservation of special areas for national activity. It is far from easy to maintain a correct balance between private motivation and planned growth and it may be expected that conflicts will arise between governments and foreign enterprises. The use of the leverage of aid to interfere with the governments' freedom of choice as to forms of economic organization and allocation of tasks between public and private enterprise may generate dangerous friction, which it is imperative to avoid lest the desire to prevent limited socialization lead to Socialist experimentation.

Still another antinomy is that between the political inspiration of the Alliance and the conventional reactions of the bureaucratic and banking apparatus which adhere to routine criteria. Particularly serious is the tendency of the lending agencies to substitute each other's effort, rather than to increase their overall contribution to Latin American development. The conflicting and diverse motivations of the AID legislation have created major administrative problems that are likely to impede a rapid rate of disbursements. Paradoxically, some of its requirements could only be implemented if the receiving countries were to abandon the advice they have been freely given—to move in the direction of liberalization of trade and exchange controls—in favor of the restoration of extensive governmental trade controls.

The last but perhaps the most important antinomy is that between trade and aid. The flow of assistance from all U.S. sources has been barely enough to offset the decline in exchange resources of Latin America, due to the combined effect of falling prices of primary products and table or rising price of manufactures. In a sense, there has been no transfer of real resources to the Latin American economy in the last decade, and this explains perhaps the frustrating fact that despite large-scale financial assistance, the trend toward stagnation or abatement of growth has not been detained in most of those countries. Ironically, they may have only too well abided by the principle of self-help: they received no more in aid than they have previously lost through trade. The underlines two facts. Firstly that the problems of aid cannot be considered separately from those of trade. Secondly, that the strain on the American economy resulting from aid programs has been grossly exaggerated; many individuals while strained as taxpayers fail to realize how much they saved as consumers.

Let me now say a final word. One of your famous soldiers, General MacArthur, once said that there is no substitute for victory. It is on this note that I shall end. There is no substitute for a successful Alliance for Progress. It is perhaps our last chance of democratic development.

There are in this continent resources, ingenuity and skills to conquer poverty. What we need is a searching and constant effort to understand each other, to be courageous to make mistakes because of excessive faith rather than stagnate through caution or conventional wisdom.

This is the 11th hour. Let us use this chance to convert frustration into hope, to convert dusk into dawn, before the southern part of this continent, lured by false totalitarian promises of immediate elimination of poverty and hunger, loses its soul.

PENNSYLVANIA ROLE IN BATTLE OF ANTIETAM 100TH ANNIVERSARY

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an announcement I have received from Col. Ray Ward of the 141st Regiment Pennsylvania Volunteers, Reactivated, concerning the Pennsylvania Rededication Day services scheduled for the afternoon of September 1, 1962, at the Antietam National Battlefield.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

Colorful Pennsylvania Rededication Day services will be held September 1, 1 p.m., Antietam National Battlefield, Md., Howard Brigade Park, where the density of Pennsylvania troops was the heaviest on that bloodiest day of the Civil War; site of the 69th monument, representative monument, has been selected. This 10-acre plot of trees and grass is excellently situated for traffic control, and can house the thousands of people who are anticipated on this Labor Day weekend. The U.S., Pennsylvania, and Maryland governments will be represented. Platform seats are available for congressional Members, by reservation to Col. Ray Ward, executive officer, Sayre, Pa. Wire remarks to this same officer.

Units in Civil War uniform will participate, led by Gen. James Davenport, retired, of the famed Pennsylvania Brigade Staff. Weapons used in salute, and the bugle blown, were in the original battle. The service will include material used at the original dedication service, according to Chaplain Maj. A. F. Greene.

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

FOOD AND AGRICULTURE ACT OF 1962

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

Without objection, the Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agriculture commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Without objection, the committee amendment, in the nature of a complete substitute for the bill, under the precedents will be considered as original text for the purpose of amendment.

SMALL BUSINESS' DESPERATE STRUGGLE TO SURVIVE

Mr. PROXMIRE. Mr. President, yesterday's New York Times carried an article which had sensational facts in it for small business. The New York metropolitan area of New York some 10 years ago, in 1950, had 153,000 shopkeepers; that is, 153,000 people who were classified as managers, corporate officials, and proprietors in retail trade. By 1960, 10 years later, although the population had increased substantially and although sales had enormously increased, the number of retail merchants had dropped from 153,763 to only 66,474. In other words, there are now fewer than half as many small business, retail operators in New York as there were 10 years ago.

Mr. President, it seems to me that this startling, stubborn fact—that small business simply is not surviving in the retail area—should be brought home to the American people and to the Congress. Incidentally, this is the principal reason why I am a sponsor of the quality stabilization bill, which is in the Commerce Commitee. I understand the bill was unanimously reported by the subcommittee and is now available for consideration by the full committee. This bill would give retail small business a fighting chance to survive by providing a chance for a reasonable margin between his cost and his selling price.

Mr. President, I ask unanimous consent that this article by Will Lissner, published in the New York Times, entitled "Small Businesses Declining in Area" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL BUSINESSES DECLINING IN AREA

(By Will Lissner)

The butcher, the baker and the candlestick maker are vanishing from the New York scene.

New tabulations of the 1960 Federal census show there are now 66,474 managers, corporate officials and proprietors in retail trade in the New York metropolitan area. In 1950 there were 153,763 such shopkeepers.

The little store tended by a neighborhood shopkeeper has been replaced by a section of a large store. With exceptions becoming rarer, the butcher shops are departments in giant chain supermarkets; the bakeries are shelved walls and cases in the markets, and candles, mostly the product of automated factories, are sold in markets, variety stores, and gift shops.

Other retailing developments reflected in the area's statistics are the development of chain retail shops, run by clerks supervised by a divisional or regional manager; the rise of shopping centers where nearly every store is a collection of departments, and the growth of self-service outlets where fewer employees require fewer general supervisors.

PROPRIETORS DECLINE

As a result of these and other developments, managers, officials, and proprietors of businesses of all types, as a group, declined 7.9 percent in the area over the decade.

Mr. GRANIK. I'm sorry, gentlemen. I must interrupt. We'll return after this important announcement.

Thank you very much, John E. Swearingen, president of Standard Oil Co. of Indiana; Senator Roman Hruska, Republican, of Nebraska; Congressman Emanuel Celler, Democrat, of New York; Congressman Wright Patman, Democrat, of Texas; and Mr. A. E. Perlman, president of the New York Central Railroad. Now join us again next month when "All America Wants To Know" will present a discussion based on an article by Hanson Baldwin entitled "The Proper Use of Power To Preserve Peace," appearing in the September issue of the Reader's Digest, the world's most widely read magazine. And now this is Theodore Granik bidding you goodby.

ANNOUNCER. "All America Wants To Know"—a monthly discussion of the great questions facing our country, is presented as a public service by the Reader's Digest, the world's most widely read magazine, in association with the Freedom Foundation at Valley Forge. "All America Wants To Know" is created and produced by Theodore Granik, directed by Dennis B. Kane, Senior Technician William Edmond, Technical Director Marvin McCoy. This is Julian Barber inviting you to be with us again next month when a group of citizens will debate "Does Our Diplomacy Reflect Our True Power?" based on the article "The Proper Use of Power To Preserve Peace," by Hanson W. Baldwin, appearing in the September issue of the Reader's Digest, the world's most widely read magazine.

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Mr. ELLENDER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Madam President, we have before us today the farm bill. I was very hopeful that, if a sufficient number of Senators were present today and tomorrow, we might be able to take some type of final action on the bill.

Senators will remember that during May we debated the farm issue for 5 successive days, and we enacted a bill, which I felt was a realistic approach to the existing farm problem.

This bill was reported by the Committee on Agriculture and Forestry on April 27, and on May 25 the bill was sent to the House.

The situation that developed was very peculiar, in that the House Committee on Agriculture tabled Senate bill 3225, which was passed by this body on May 25, and reported out a House bill, H.R. 12391, which was passed by the House on July 19, and is now before the Senate. The normal legislative procedure would have been for the House to substitute their language for the language of S. 3225 and for the bill then to have gone to conference on the provisions in disagreement. Why the other body chose to ignore normal legislative procedure, I do not know. However, the fact remains that the Senate is now confronted again with a farm bill for consideration.

The Senate study of this subject may be said to date from the delivery of the President's message on agriculture on January 31 of this year and the introduction by me, as chairman of the Committee on Agriculture and Forestry, of S. 2786 on February 2. The Senate Committee on Agriculture and Forestry held full and complete hearings on that bill, and following almost 2 weeks of executive sessions, reported S. 3225 on April 27. Nearly a month was allowed for further study of that bill before it was taken up by the Senate on May 21, debated at great length, amended and finally passed on May 25. Between that date and July 19, nearly 2 months later, when H.R. 12391 was passed by the House, it had been necessary to enact Public Law 87–450, extending the final date for proclaiming 1963 wheat marketing quotas to June 15; Public Law 87–485, extending the final date for proclaiming 1963 wheat marketing quotas to July 15; and Public Law 87–540, extending the final date for conducting the 1963 wheat marketing quota referendum to August 31, 1962.

Madam President, I hope that this body will act swiftly in approving a farm bill. Inasmuch as this legislation has been before the Senate for almost 7 months, I see no reason why it will be necessary to engage in lengthy debate. The issues before the Senate today are the same as those that were considered by this body for 5 full days, May 21 through May 25. At that time the Senate worked its will, amended S. 3225, which was reported from the committee on April 27, and passed a bill which in my opinion was a realistic approach to the problem of overproduction and Government surpluses.

In my opening statement on May 21, I discussed the surpluses of wheat and feed grains which now exist. In the intervening 3 months, no developments have occurred which would change this to any appreciable extent. As of May 31 the Federal Government had $2.4 billion invested in 1.2 billion bushels of wheat. This is about a full year's supply for both domestic and export requirements.

Many efforts in the past have been made to rectify the continual build-up in wheat surpluses. In 1959 and again in 1960 the Senate passed bills which provided permanently reduced acreage allotments for wheat. However, neither of these became law. In 1961 there was passed the so-called emergency wheat program, which provided for a mandatory 10 percent cut in acreage allotments and up to an additional 30 percent voluntary retirement of acreage for which wheat farmers would be paid. Under this emergency program farmers signed up 15.1 million acres which were to be diverted from the production of wheat.

The latest estimate by the Department of Agriculture indicates that the production of wheat in 1962 will be about 177 million bushels less than that produced in 1961, and that total stocks on June 30 were about 150 million bushels less than last year. It is anticipated—I hope Senators will listen—that total payments to farmers for this reduction will amount to about $333 million dollars, or almost $2 a bushel.

Madam President, there is little doubt that the present permanent laws relating to wheat must be changed, and I am happy to say that H.R. 12391, as reported by the Committee, would provide for a permanent change in the wheat laws.

However, I cannot say the same about the feed grains. Repeatedly, Madam President, and until May 25 of this year, the Senate had been unable to devise and pass a realistic program for corn and the other major feed grains. For some reason or other, which I cannot explain, corn, although a basic commodity, has always been set on a pedestal, above and beyond other basic commodities. While the producers of cotton, and of rice, and of tobacco, and of peanuts have had to submit to rigid controls in order to be eligible for price supports, the producers of corn have been allowed unlimited production and have also enjoyed the benefits of Government price supports. This is in spite of the fact that the Commodity Credit Corporation has been compelled, under the favorable laws in effect for feed grains, to buy up huge surpluses and to pay farmers for not producing, which has cost the Government billions of dollars. As a matter of fact, as of May 31 of this year, the latest data available, the Government had $2.7 billion invested in 2½ billion bushels of feed grains that are in excess of our needs and that have accumulated because of excess production under the favorable program in effect for these commodities.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. ELLENDER. I will yield in just a moment.

In the last debate on this measure I put a table in the RECORD which shows that the carrying charges alone, such as storage and so forth, for the feed grains and wheat amounted to $900 million in fiscal year 1961. Later on in debate I expect to elaborate on losses sustained on all commodities over the years.

Before I yield to my friend from Vermont, I wish to say that it seems strange to me I should get a lot of letters from constituents at home—I believe these letters are stimulated by activities of certain farm organizations there—in which it is claimed that to put controls on the production of corn and other feed grains would be socialistic, that it would border on communism. But the truth of the matter is that we apply the same methods to cotton, to tobacco,

and to rice. I have not heard that any of these programs is either communistic or socialistic. Why such propaganda should be used in opposition to this bill throughout the country is beyond my understanding.

As I have stated, and as I have often previously stated, the only basic crops to which we provide price supports, which have resisted any kind of acreage controls, are corn and other feed grains. They have always been offered and have received price supports, with little or no controls.

Mr. AIKEN. The Senator says that as of some time in May, I believe, it was reported that the Commodity Credit Corporation had an investment in 2½ billion bushels of feed grains.

Mr. ELLENDER. Yes.

Mr. AIKEN. Under loan or in inventory—2½ billion bushels.

Mr. ELLENDER. Yes.

Mr. AIKEN. As of what date was that?

Mr. ELLENDER. May 31. That was the latest available date.

Mr. AIKEN. May 1?

Mr. ELLENDER. May 31.

Mr. AIKEN. Two and a half billion bushels?

Mr. ELLENDER. That is correct.

Mr. AIKEN. Feed grains are fed at the rate of almost 6 billion bushels a year?

Mr. ELLENDER. Yes.

Mr. AIKEN. So that amount would represent about a 5-month supply.

Mr. ELLENDER. Just about. It has been reduced some. As I remember, there was a carryover of some 85 million tons. That has been reduced to about 73 million tons.

Mr. JOHNSTON. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON. Is there not always a great danger, if we do not do something in respect to requiring strict controls on the feed grains, if we keep paying out billions of dollars of the Government's money without getting proper controls, that this is more than apt to break down our whole program for the farmers of this Nation?

Mr. ELLENDER. I do not think there is any doubt about it. I would not blame the taxpayers of this country for revolting against the program, because it does not add up, and it does not make sense for us, to keep on hand billions of dollars worth of wheat, corn, and other feed grains and be unable to control the production in keeping with our requirements.

In the case of wheat, as I have pointed out, there is on hand a 1-year supply. Under the law as it is now written and on the books, the Secretary of Agriculture was compelled to provide for the planting of 55 million acres of wheat and to support the price at from 75 to 90 percent of parity. It does not add up for us to be in that position. All the bill seeks to do is to reduce the amount of acreage planted in wheat and corn and feed grains.

But at the same time I point out that we ought to make it possible, for at least the next 2 or 3 years, for the income of the producers of wheat to be about what farmers are receiving now. I realize that it will be costly, but something must be done for the future. We cannot continue to pile up wheat year after year in the manner that we have been doing in the past few years; and unless Congress passes a law that would give the Secretary of Agriculture the right to reduce the number of acres upon which wheat is to be grown, we shall be confronted with the same situation year after year.

There is no provision in the law that would prevent a farmer from pouring fertilizer on wheat acreage to increase production. In 1938, when the wheat law was enacted, a provision was inserted in the law under which the Secretary of Agriculture was unable to act if the national allotment of acres was 55 million acres or less. At that time average wheat production was 13.3 bushels per acre. Today average production is 26.2 bushels per acre, and the same minimum acreage is in effect.

It does not add up. Something must be done to prevent the accumulation of much wheat that we do not need. I assure the Senate that, as presented to the Senate, the bill would not materially hurt the farmers but would make it possible for the Secretary of Agriculture to proceed to allocate wheat production and maintain production in keeping with our needs. That is what I want to do. I am sure Senators know that for the past 5 or 6 years we have been trying to do exactly that, but to no avail.

Mr. YOUNG of North Dakota. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Would the Senator be willing to have a provision in the bill that would exempt from stringent acreage controls any kind or variety of wheat which is in short supply?

Mr. ELLENDER. There is now a provision in the bill which would permit the Secretary of Agriculture to do so. We have not spelled out in the bill how the Secretary shall do so, but we have given to the Secretary of Agriculture some leeway to permit the production of wheat that is in short supply.

Mr. YOUNG of North Dakota. The Senator would not want to establish a rigid program which would require a reduction of acreage of varieties of wheat that are in short supply, would he?

Mr. ELLENDER. No; I would not want to do that. If it were possible to be specific as to how to draft such a provision, I would not mind having it in the law. I believe that the language contained in the law now leaves the Secretary of Agriculture with some leeway to try to meet the problem to which the Senator has referred.

Mr. CARLSON. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. The distinguished chairman of the Senate Committee on Agriculture and Forestry mentioned that the yield in the production of winter wheat in 1961 was 26.5 bushels per acre. I think the chairman will find that this year the estimated average of all winter wheat is 24.7 bushels. In 1960 it was 22 bushels. Therefore, we do not always have the 26.5 bushels average yield in winter wheat. The production in 1961 was 1,076,274,000 bushels in the winter wheat area, and in 1962 we grew only 835,791,000 bushels, or a very substantial reduction in winter wheat production. I thought those figures should be made a part of the RECORD at this point.

Mr. ELLENDER. I intend to point up later in my argument, when I present the actual figures of production from 1950 to date, what the Senator from Kansas has alluded to. I realize that not every year do the farmers produce 26.2 bushels per acre on an average. I know that. But generally speaking, the Senator must agree that the increase in production of wheat has been considerable since 1938.

Mr. CARLSON. That is correct.

Mr. ELLENDER. I feel confident that if back in 1958, when we tried to deal with the wheat problem, Congress had taken specific action, as it did with respect to corn and other feed grains, as well as cotton, rice, and other crops, we might have made progress.

Unfortunately, in the case of corn, back in 1958 we were not able to obtain any kind of acreage controls. That was not the case with respect to cotton and rice.

Mr. CARLSON. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. Is it the Senator's proposal and suggestion that we continue the present voluntary program on wheat, on which farmers will vote on August 30 of this year; or is the Senator offering a suggestion that we take some action on wheat production for the 1963 crop?

Mr. ELLENDER. In my opinion it is now too late——

Mr. CARLSON. With that I fully agree.

Mr. ELLENDER. It is too late to have the emergency program reenacted in time for the referendum. Of course, if we could pass the bill tomorrow and have the House agree on it this week, there might be time to arrange a voluntary program. I have been informed that in anticipation of possible action by Congress on the bill before August 31, the Secretary of Agriculture has arranged to have either the old law used as a vehicle for the planting of wheat for this coming year, or an emergency program in the event Congress should pass the bill in time for another year's extension.

As I said, it is a little too late. If the Senate will pass the bill quickly enough, it is my hope to have the House agree to a voluntary program for next year. So far as making the program obligatory, I think it is too late. It may be possible, even after the program is voted upon by the farmers, and we use the present law, to have an agreement for a provision to be included in conference whereby the Secretary of Agriculture would be permitted to proceed to obtain acreage reduction on a voluntary basis.

Mr. CARLSON. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. My thought on that—and I understand it is the thought of the Senator from Louisiana—is that we should let the farmers vote on the 1949 base acreage and support price.

Mr. ELLENDER. We must.

Mr. CARLSON. Following that, would the Senator be willing to permit the Secretary of Agriculture to put into effect for 1 year, on a voluntary basis, the present program, which we enacted last year?

Mr. ELLENDER. The Senator is correct.

Mr. CARLSON. Why would we not write such a provision into the law?

Mr. ELLENDER. I am realistic. The House bill contains that provision. I do not wish to put too much in the bill before the Senate. I want to be able to bargain with the House conferees.

What the House should have done, as I pointed out a while ago, was to take our bill. The House should have called it up, stricken out all after the enacting clause, and inserted the House language. But instead it pigeonholed the Senate bill. It did not even let it come to the floor of the House, except for the purpose of referring it to a committee. After the bill was referred to the House committee, some Member moved that the bill be pigeonholed, and it was pigeonholed. That is the kind of treatment we received from the House. I did not like it a bit

Mr. AIKEN. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Since it would be impossible to get any legislation enacted before the first of September, and a considerable amount of winter wheat will have been planted before that. the only way we could get any participation in a voluntary program in the areas where the wheat had been planted would be to pay the farmers who had already planted for disking or plowing what they had already planted and not harvested.

Mr. ELLENDER. That would be left to the farmer. If he wants to do it, he can do it. Effective participation could be had so far as the spring wheat was concerned, of course.

Mr. AIKEN. That would be the only way the situation could be handled so far as the wheat that has already been planted is concerned; in other words, if the farmer wanted to participate, he would have to do so by disking or plowing under some of the acreage he had already planted.

Mr. ELLENDER. It would be a purely voluntary matter so far as he was concerned.

Mr. AIKEN. If the farmer saw fit to do it.

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I was happy to hear the Senator say that it was too late to change the wheat program now, which would be voted on in the wheat referendum to be held in the latter part of August. I was pleased to note that the Senator is willing to have a voluntary wheat acreage reduction program as a part of the program for next year.

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. Does the Senator believe that this could be done without legislation? The two Senators from Kansas and I are having legislation drawn up to make it permissible for the Secretary of Agriculture to have a voluntary wheat acreage reduction program.

Mr. ELLENDER. For this crop, that is.

Mr. YOUNG of North Dakota. Yes.

Mr. ELLENDER. The House has that provision contained in its bill. All we would have to do would be to accept the voluntary part and strike the mandatory part, for the reason that the farmers, I presume, will vote for the program that is being offered, and that is under the old law.

Mr. YOUNG of North Dakota. If the two Senators from Kansas and I offered such an amendment, would the chairman oppose it?

Mr. ELLENDER. I would hesitate about that. I hope the Senators will have a little faith in me and leave something for the managers on the part of the Senate in conference to deal with when we sit in conference with the Members of the House.

Mr. YOUNG of North Dakota. I thank the Senator.

Mr. ELLENDER. If the Senators will do that—I am sure the Senator from North Dakota will be on the conference committee—I am sure there will not be any trouble in getting the House to agree to it. I would prefer doing it in that way to having us try to amend it here.

Mr. CARLSON. I am sure that we would not want to tie the Senator's hands in the conference committee. The suggestion has been made, and I believe he has agreed to it, that there be a voluntary program based on this year's program for those farmers who want to participate.

Mr. ELLENDER. Yes.

Mr. CARLSON. Whether they vote for the program or not.

Mr. ELLENDER. Yes. I would be happy to put that program into the pending bill if it were possible to get legislation enacted in time to have the referendum. Last week I advised the Secretary of Agriculture that we would be delayed in the enactment of the bill. It was my advice to him that he proceed with his referendum and use the present law to carry out the program.

Mr. CARLSON. That would be for the 1963 crop. Is that correct?

Mr. ELLENDER. Yes; that is the crop that is being planted this fall. It would be left to the farmer to plow up, if he wants to do so, if he had planted his winter wheat. If he was delayed, and had not planted his winter wheat, the same situation would apply. He would get payments on it. The same thing would be true with reference to spring wheat. In that case, of course, it would be a much easier matter to deal with, because in most States the planting of spring wheat is not started until March or April.

Mr. CARLSON. The planting of winter wheat starts in the midwestern area, including Kansas and Oklahoma, around August 15, and runs until about October 4 or 5.

Mr. ELLENDER. It is obvious that there would be ample time to catch up with some of the wheatgrowers who desired to participate in a voluntary program. I am glad to say that the Secretary of Agriculture is set to do just that, because he is as anxious as I am to try to do something to reduce the wheat production. As I pointed out a moment ago, it is very costly. Under the present emergency program it is costing almost $2 a bushel for the Government to divert acreage. That is a very costly program. If it were not for that fact, we could perhaps try it for another year. However, it is my belief that we ought to have a permanent act as soon as possible. I am sure my good friend from Kansas agrees with me.

Mr. CARLSON. I agree fully.

Mr. ELLENDER. If we do not do that, we will jeopardize the entire farm program. I do not want that to happen.

Mr. CARLSON. As I understand it, then, if the chairman's proposals were adopted and if the farmers voted for the present program, we would have a 55 million acre program and we would have a loan support of $1.82 a bushel. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. The farmer would be given the opportunity voluntarily to participate in a program similar to that in effect in 1962 when the support price was $2 a bushel, provided he took at least a 10 percent reduction, and he could take up to a 30 percent reduction.

Mr. ELLENDER. It would have to be voluntary.

Mr. CARLSON. Yes.

Mr. ELLENDER. It would not be mandatory.

Mr. CARLSON. That is correct.

Mr. YOUNG of North Dakota. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Dies the Senator anticipate that the Secretary of Agriculture would have a higher price support for those who reduced the acreage beyond the quota?

Mr. ELLENDER. No. The Senator from Kansas referred to the 1962 support price, but that would not be applicable to any producers in 1963. The point is that, as far as I am concerned, since it is too late to enact permanent wheat legislation, to make it effective for the 1963 program we would provide a voluntary program for 1963, I am sure the House would go along with us.

Mr. YOUNG of North Dakota. For a price support of 75 percent of parity. Is that correct?

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. There has been a rumor that the Secretary of Agriculture planned a higher price support for those farmers who reduced their acreage beyond the 55 million acreage requirement which is what quotas are based on.

Mr. ELLENDER. That is something that could be discussed in conference. I realize that in order to get even a voluntary cutback in acreage it is necessary to make it attractive enough.

That we can find out as we go along; in conference we can stipulate what that is going to be.

Mr. YOUNG of North Dakota. It is possible to make it attractive in two ways; first by payments for reduced acreage and second, to have a higher price support program for those farmers who decreased their acreage in which case we would run into a great deal of confusion.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I notice that in the material which has been sent to us, the Secretary estimates that our requirements for wheat will be 100 million bushels, approximately, less this marketing year than total consumption last year. Does the Senator know the reason for this lessening in the requirements for wheat?

Mr. ELLENDER. I do not know what the Secretary had in mind.

Mr. AIKEN. I was wondering where he got the estimates.

Mr. ELLENDER. I do not know what he had in mind. Those figures may have been misunderstood. The Secretary of Agriculture has said to me that in order to produce the wheat necessary for our needs, with what we had on hand, it would require only 10 million acres. However, because of the pending law he had to make it 55 million acres.

Mr. AIKEN. Of course reducing our planting to 10 million acres would leave us with no reserve whatever. I am sure the Secretary would not want to do that.

Mr. ELLENDER. The Secretary merely pointed that out in order to depict what he had to do under the law which would result in production of much more wheat than was necessary.

Mr. AIKEN. There is no question that the 55-million-acre program has been responsible for larger supplies on hand than are advisable. What has been bothering me is that they estimate the use of wheat will be 100 million bushels less this year than actual consumption last year, and the question which has been asked me is: Have the Common Market countries been buying exceptionally large amounts of American wheat at 1961 prices because they expect that American wheat may be cut out of their market next year?

Mr. ELLENDER. Since my answer was made to the Senator, I was handed a memorandum which indicates that the reason, apparently, is that our exports in 1962, as compared with 1961, will be about 100 million bushels less.

Mr. AIKEN. They hit an alltime record this year of 714 million bushels.

Mr. ELLENDER. Yes. But the estimate is that it will be 100 million bushels less. The figure may be wrong. That is the estimate, and that is where the 100-million-bushel figure was obtained.

Mr. AIKEN. The estimate is that oversea exports will drop, just as cotton exports have been dropping this year.

Mr. ELLENDER. That is correct.

Mr. COOPER. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I have just read a New York Times article on this subject. The article states that the Common Market countries, anticipating that higher tariffs will be placed upon grain, had bought heavily, and believe their imports will be less in the coming year.

Mr. AIKEN. Outside of Japan and India, the Common Market countries have been the big purchasers of American wheat. It is anticipated that they expect the exclusion of American wheat in the years ahead and have been buying it in advance.

Mr. ELLENDER. Madam President, to continue with my prepared statement, the Senate has acted on two previous occasions in an effort to cut down on the costly surplus which has accumulated in Government hands.. On March 10 of last year the Senate passed, and the Senate signed, a bill providing for the so-called emergency feed grain program for 1961. Then, on July 26, the Senate passed the bill extending the so-called emergency feed grain program for 1962. That was done when it became apparent that Congress would not pass a new farm bill for 1962.

For the same reason, we are now being asked again to extend the emergency programs for a third year. If that would cure the evil, I would say, "Let us do so"; but it will not cure the evil. As I said awhile ago, we will spend $1,117 million this year on the emergency program of diverting the production of corn and other feed grains, but the bushelage will be reduced mighty little in contrast with the amonut that has been spent in order to attain that goal.

The House measure, as well as the Senate measure, provides for an extension of the emergency program for the 1963 crop. As I shall indicate a little later, I myself might foster such a provision, provided at the end of the emergency there would be permanent legislation; but I do not believe the Senate should adopt any emergency program, only to be confronted at the end of the emergency program with the same laws which now confront us on the statute books and have given us so much trouble.

Mr. PROXMIRE. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. Did the Senator use the figure $1,107 million?

Mr. ELLENDER. $1,117 million.

Mr. PROXMIRE. What does that cost include? Does it include the cost of storage?

Mr. ELLENDER. Corn payments, $780 million. I had planned to cover that later. Sorghum grain payments, $152 million; barley, $45 million; for a total of $977 million; plus administrative costs of $40 million, or a grand total of $1,117 million.

Mr. PROXMIRE. How much of that is for payments in kind out of surplus?

Mr. ELLENDER. That is in the corn payment. It means payments in cash and payments in kind. That is the amount the farmer can realize.

Mr. PROXMIRE. So the substantial proportion of this would be simply the paying farmers in surplus corn that is now in storage, or at least having it liquidated; and in the course of doing this, the cost of the farm program would be reduced in subsequent years.

Mr. ELLENDER. Yes; but reduced in this way, in that less corn would be produced, but the corn that has been given in kind has cost the Government quite a bit of money.

Mr. PROXMIRE. The cost would be much more if payment were not in kind.

Mr. ELLENDER. That is true of an emergency program for 1 or 2 years, so as to provide a chance for the drafting of permanent legislation.

I repeat: That is why I favored the emergency legislation. I felt then, as I feel now, that it was better to have such legislation than to revert to the 1958 law, which permitted unlimited production with a price support of not less than 65 percent of parity.

Mr. PROXMIRE. The emergency legislation is working quite well—better this year than last year. It has greatly diminished the surplus. It has done so under highly adverse circumstances in spite of two bumper crop years.

Mr. ELLENDER. But very little in proportion to the amount of money that has been spent.

Mr. PROXMIRE. The figures show that there has been a 28-percent reduction. The Senator told us that the present surplus represents something like 2½ billion bushels, which, as the Senator from Vermont points out, is about a 5-month supply. When we consider that it would be necessary to pay interest, storage, and transportation charges for many years to come, that is a real saving.

Mr. ELLENDER. We spent $780 million last year; it is expected that this year we will spend $1 billion plus, and at the end of the year there will still be a 5-month supply, instead of a 6-month supply.

Mr. PROXMIRE. My argument is that $1 billion is not a fair figure, because if the program did not exist, it would be necessary to spend much more.

Mr. ELLENDER. But we are paying that money out.

Mr. PROXMIRE. These are payments in kind, surplus corn—much of it worthless—not money.

Mr. ELLENDER. I know they are payments in kind; but in order to make the program cost less, as was calculated by the Secretary of Agriculture, it might be necessary to keep grain on hand for 7 or 8 years. That is the way it has been figured to show that there would be a saving of about $500 million from the first program that was put on the statute books. That was the estimate made by Mr. Freeman, if the emergency program were offered. It was estimated that in the long pull it would save the taxpayers $500 million. But in the long pull, it was calculated that it would be necessary to retain corn and other feed grains in storage for perhaps as long as 10 years.

Mr. PROXMIRE. Taking the entire cost of the feed grain program from 1953 to the present time and placing it in the same perspective or relationship to its cost, the cost is something like 5 percent of the value of the freed grains.

The cost of food in this country is much lower than in any other nation of

the world. It is lower than ever before in the history of the country. It seems to me that the cost of this program would be a reasonable cost. It is not a cost that would be so heavy that we should think in terms of imposing mandatory controls on farmers or diminishing farm income. I think farm income is disgracefully low now.

Mr. ELLENDER. The method that was invoked by the Secretary for various programs is a slow process. All I am saying is that we can adopt a better program that will cost less and provide for the farmers practically the same income. What I am objecting to is that at the end of the emergency programs, in order to cut back the production, we will be confronted with the same law the day after we fail to reenact the emergency program. That is what I am complaining of.

I do not mind an emergency program for another year, provided that at the end of the emergency program, there will be a change in the law from the present law.

As the Senator knows, under the present law we have had up to now an emergency program; and if the proposed law is enacted, this will be the third year with an emergency program. But what do we basically still have? The same law that has given us so much trouble. I want to change that law, so that those who produce corn and other feed grains will be able to produce in keeping with our requirements.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. ELLENDER. I yield.

Mr. AIKEN. Considering the urgency of this situation, I think we are likely to overlook the fact that the Secretary's estimates available now do not include what will be consumed by livestock in the 1962 marketing year, which will be far heavier than that in the past year.

We have about 4 percent more cattle on hand this year, and we are feeding them at a 10 percent higher rate than we were a few years ago. That takes a great deal more feed grain. So I think what is now regarded as a surplus will diminish quite rapidly, and will be down almost to the safety point in a year.

Mr. ELLENDER. If that were to occur, the Senator from Vermont should be willing to vote to permit the corn producers to grow whatever amount they desire, but without price supports.

Mr. AIKEN. I said that because I do not think we can look even 2 or 3 years ahead. Probably we should consider extending the voluntary program 1 year more. But perhaps it will not be necessary. Perhaps 2 or 3 years from now we shall be considering how to encourage greater production, instead of reducing it.

Mr. ELLENDER. But under the law governing the production of tobacco, cotton, and other crops, the Secretary of Agriculture has broad powers to increase production as it is needed.

Mr. AIKEN. That is true.

Mr. ELLENDER. I want the same thing to be incorporated in the law pertaining to corn and other feed grains.

Mr. AIKEN. However, I would not put cotton and tobacco in the same class with feed grains, because we export about 50 percent of our cotton and tobacco, and it is necessary to have certain provisions, in order to keep up our exports, that we do not need for feed grains for local feeding.

Mr. ELLENDER. That is the same argument——

Mr. AIKEN. And it is a good one.

Mr. ELLENDER. It is the same argument that has been advanced ever since 1936 or 1937, when we really passed the 1938 act.

Mr. AIKEN. Yes.

Mr. ELLENDER. The Senator from Vermont was here then.

Mr. AIKEN. I know it is the same.

Mr. ELLENDER. In November 1938, I stood on this floor and argued for the present law; but we could never pin down the corn growers or the other feed producers in the same manner that we could the producers of wheat or other basic crops. The Senator from Vermont will recall that in 1956, when we had the soil bank program, the then Secretary of Agriculture found in the corn provisions a little gadget which permitted him to pay farmers who were noncompliers 25 cents less per bushel than compliers. The result was that everyone "went to town." And that is where our trouble in corn started. As I recall, in that year we diverted over 5,200,000 acres, but the cost to the Government was $180 million, and we produced 200 million additional bushels of corn—with 5 million less acres.

Mr. AIKEN. The Department of Agriculture has always had good lawyers.

Mr. ELLENDER. But they were not sharp enough that time.

Mr. AIKEN. And they have been able to interpret the laws we pass in about the way they want them to read.

Mr. ELLENDER. But, as I have said, I do not see anything wrong at all with saying to a farmer, "We will support the price of what you produce of the basic crops; but in getting this price support, you must be willing to reduce your production until it corresponds with the demand."

That is all I am asking in this case. I am a realist; I know we tried, and did pass the bill; but the House turned us down. So far as I am concerned, I am willing to compromise. I am willing to include an amendment which will extend the emergency program for another year; but I want it understood that at the end of that year the Secretary will not have to go back to the 1958 law. I hope the Senator from Vermont is willing to support that.

Mr. AIKEN. I am willing to say that the chairman of the committee, for whom all of us have the greatest respect, might be able to get his compromise, provided he does not try to legislate too far in advance. I, for one, cannot see that far in advance; I believe we have to legislate, if not on a year-to-year basis, at least very close to it.

Mr. ELLENDER. I am willing to incorporate in the law the same provisions which apply to wheat, cotton, and other commodities, and to give the Secretary of Agriculture a free hand in having produced what we need. That is all.

Mr. AIKEN. I agree with the chairman of the committee that probably changes in the bill are desirable, and that even minimum supports have become incentive supports, because of the greater efficiency of the farms and the farmers.

Mr. ELLENDER. The Senator from Vermont knows that we have argued this point on the floor many times; namely, that lower price supports with unlimited production invite more production. That is why I do not think very highly of the provisions voted by the House of Representatives; I refer to the provisions for paying 80 percent of the price for the last 3 years, which would be about 87 or 88 cents a bushel for corn. If such a law were placed on the statute books, along with unlimited production, my guess is that the Government would have to take over quite a few bushels of grain, even at that low support price.

But I return to the proposition that in my opinion this is the only way to meet this challenge, when the Government is called upon to support the price of any commodity, particularly where there can be acreage controls. I do not see why anyone would object to that.

When it comes to milk, we have another situation; and I discussed it here on Friday. I wish to say to the Senator from Vermont, to relieve his mind, that insofar as I am concerned as manager of this bill, it is not my purpose to include in the bill an amendment affecting milk. It may be that the Senator from Wisconsin [Mr. PROXMIRE] and other Senators will attempt to have such an amendment included. But the point is that I believe we made a strenuous effort and a sincere effort, earlier this year, to have milk legislation placed on the statute books; but when we talked to the representatives of all the milk interests, they could not get together.

So I indicated then that I would introduce a special bill—and I did that on Friday, although perhaps I was late in doing it—to provide an opportunity for all segments of the dairy industry to come before the commitee and get their house in order. If they do not, I want them to know that Congress will have to do something about milk production. Last year it cost us almost $600 million to handle the milk program; and this year, with the price support 29 percent less per hundred, the cost to the taxpayers will be around half a billion dollars.

Mr. AIKEN. First of all, I commend the chairman of the committee for deciding to hold separate hearings on the milk situation, which is entirely different from the situation which prevails for other products. I would like to call attention to the fact that when the Secretary compares the purchase of dairy products this year with the purchase of dairy products last year, he includes for last year 3 months when there were virtually no purchases at all—January,

February, and March. Actually, the purchases of butter and cheese have been falling off sharply for several weeks. But there is no comparison, when the Secretary says we are having to buy more this year than last year. The Secretary included 3 months when we were just getting our teeth into the program. We hardly bought any butter and cheese from January until March of last year.

Mr. ELLENDER. That is a time of year when production is at a low ebb, as the Senator knows.

Mr. AIKEN. Purchases in July for butter and cheese this year were much less than they were last year. Also, production of milk for the last 2 months has dropped off.

Mr. ELLENDER. I expect to go into a little detail about the cost of that program.

Mr. AIKEN. I think it is a good idea to have separate hearings on the different situations.

Mr. ELLENDER. I am doing what I said I would do. The Senator remembers that.

Mr. AIKEN. Yes.

Mr. ELLENDER. I live up to my promises.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. The chairman of the committee has discussed the wheat problem and the feed grains problem. He said the value of the wheat surplus was something over $2 billion.

Mr. ELLENDER. Yes; $2.4 billion.

Mr. COOPER. The Senator has also said it is his intention to urge us in the Senate to refrain from offering an amendment which would continue the voluntary wheat program, with the idea that the House will do that——

Mr. ELLENDER. In conference.

Mr. COOPER. But that he would ask the Senate to act on the modified wheat allotment program for the 1964 and subsequent crops, which the committee approved.

Mr. ELLENDER. Yes.

Mr. COOPER. The Senator also said that the compulsory feed grain control program should be adopted by the Senate——

Mr. ELLENDER. Yes, provided, as I said, that the Senate will go along with me—when I say "me" I mean as manager of the bill—to make it possible that at the end of the next emergency period, at the end of next year, we do away with the 1958 program, which forces the Government to support the price of corn that we do not need. What that is going to mean is simply this: I am trying, if I can, to make it possible that the support price for corn and other feed grains will be about the same as what is now obtained for soybeans and crops of that kind, if in the meantime Congress has not passed special legislation.

Mr. COOPER. Of course, all of us know the sincerity of the chairman, and his wide knowledge in this field. I would like to make this suggestion, however, and get his opinion on it: It seems to me that the administration, and I may say the chairman of the committee, and the Congress, have an opportunity to make a real advance in step-by-step solution of the farm surplus problem, and that is to secure the adoption of a revised and improved wheat allotment program. Wheat has been the most troublesome and persistent surplus in the whole field of surplus crops.

I think it is possible to act on the wheat surplus problem at this time. I voted for the modified wheat allotment program in committee. I voted for it when it was before the Senate earlier this year. I do not mean that will make the bill pass, but some of us believe the proposed wheat program would be a start toward bringing continuing surplus and increasing farm program costs down to a reasonable level.

Why is that not done? Why not do what can be done this year—for wheat—and make an advance?

We saw what happened when the Senate tried to add a compulsory feed grain control program to this legislation. Our committee had considered it. We had held hearings. The committee did not approve it. Yet it was forced in on the Senate floor. It went to the House, and the House defeated the farm bill. I believe the chairman will agree that the chief reason the farm bill was defeated in the House was the compulsory feed grains control provision. If that is true, why not do what is helpful and possible—that is, secure passage this year of the bill which was voted out by the Senate Committee on Agriculture and Forestry to take care of the long-standing problem of surplus wheat production. That would be a great advance. I make that suggestion with great respect for the chairman of the committee.

Mr. ELLENDER. I am a realist. I know that, even if the Senate were to adopt verbatim the grain provision we adopted in May, we might be confronted with a proposal that the House would not even want to go to conference on. I do not know that that would happen, but it is my opinion that we would probably fail in getting enacted by the House our version of the feed grain program. Instead of trying to reenact the title that was adopted by the Senate last May, I am thinking of proposing to the Senate an amendment that would continue the present emergency feed grain program for another year, but to have it coupled with an amendment that the 1958 law, insofar as corn and other feed grains are concerned, would be canceled out, and let the corngrowers have price supports of zero to 90 percent.

Mr. COOPER. Am I to understand that the Senator does not propose to include as a part of his amendment, if he offers it, the compulsory feed grain control program?

Mr. ELLENDER. No; I do not intend to.

Mr. COOPER. I am glad to hear that.

Mr. ELLENDER. I intended to do it up to a couple of weeks ago. However, I feel now that that would be unwise in view of absenteeism and the change of views of a few Senators. I want to say that if all Senators were present and voting, I believe we could get it through. Yet, it is not worth debating here for another week on that proposal, in view of the fact that, if it is adopted, we will be confronted with opposition on the part of the House and perhaps not get what we desired. If anybody can show me a better way than I propose, I want him to do so, but what I am trying to do is provide that, with the extension of this emergency program for another year, the corn surpluses will be so low that the corn producers and other feed-grain producers will be willing to plant all they want without price supports, except, as I have said, for the provision of from zero to 90 percent, which is in the law.

Mr. COOPER. The Senator is talking about having no program for corn and other feed grains for the 1964 and subsequent crops.

Mr. ELLENDER. That is why in the meantime we should draft some legislation. I want to emphasize that, insofar as the senior Senator from Louisiana is concerned, he does not propose to vote for any extension unless at the end of that extension there will be permanent legislation of some kind, or something in the offing to provide for permanent legislation.

Mr. COOPER. I understand the Senator to say, however, that his amendment would not include any measure which would be permanent legislation for feed grains. Is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. It would simply repeal the present law insofar as corn and feed grains are concerned.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. Mr. President, I am inclined to share the views of the Senator from Vermont. I wish to emphasize them, because I think they are so important. We should not think too far in advance on this program.

The fact is, as was brought out that there has been a sharp drop in the surplus of feed grains. There is real value in the voluntary program. Perhaps the Senator from Louisiana can refute this argument and say that under no circumstances would it be possible, but I can see that there may be some circumstances in 1963 which might make it wise for us to continue the voluntary kind of program for feed grains. I think we might be able to reduce the incentive to over produce quite sharply, and in so doing reduce the cost quite sharply, because of the fact that Americans are greatly increasing their consumption of feed grains.

I think we should emphasize in this debate—because it is true—the fact that there is a very great difference between the market for feed grains and the producing of feed grains and the market for and the producing of cotton and other agricultural commodities. The fact is that most of the feed grains which are produced are consumed on the farm where they are produced.

Mr. ELLENDER. Why should there be such a large carryover? That is the difficulty. As I said, there are 2½ bil-

lion bushels on hand now. That argument, to me, is not very effective.

As the Senator says, 85 percent of the feed grains are fed on the farm, but apparently there have been people, because of the price supports, who have grown corn exclusively for Uncle Sam. That is what has happened.

In 1960 there was a carryover of 84.7 million tons. In 1961 the carryover was 73 million tons. In 1962, because of the emergency program, the carryover was estimated at 61.3 million tons. In 1963, if the emergency program goes through, it is estimated the carryover will be 49.6 million tons.

That would be an appreciable decrease, but the amount would still be much larger than the amount carried over in 1952. In 1952 there was a carryover of only 27 million tons. In other words, even with the emergency program for 1963, which is to be very costly, as I said, the carryover in corn and other feed grains would be almost twice as much as the carryover in 1952.

Mr. PROXMIRE. I say to the Senator from Louisian that during this period of time we have seen great value in the voluntary programs, in the noncompulsory programs. It seems to me these have been of important value.

Furthermore, the cost of the program even since 1950, if added to the total value of feed grains produced, would be in the area of only 5 or 6 percent. I submit that this is a very modest cost, when one recognizes the low cost of food to the American consumer. The consumer and the taxpayer pretty much are the same person. Therefore, I think we can make a real argument on the basis of history, in spite of the fact that there have been high surpluses and in some years high costs of the program, that this has been a good investment. It has been an investment in a voluntary farm program, without controls. It has been an investment in efficiency on the farms, with low-cost production, which has benefited this country and benefited the free world.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my friend.

Mr. MILLER. I should like to ask the distinguished Senator what is his idea as to a target, insofar as the amount of surplus of feed grains is concerned. I know that last spring the Senator said much about the reduction of surpluses. At times I gained the impression that the Senator was talking about eliminating all the surpluses. I am sure that is not what the Senator has in mind.

Does the Senator have any target in mind, in terms of tonnage or bushels or amounts of money which we might consider to be a normal surplus on hand to take care of contingencies? I think we ought to be talking in terms of that, rather than in terms of doing away with all surpluses.

Mr. ELLENDER. Let us consider cotton. It has been written into the law that the carryover of cotton is to be 30 percent of our normal domestic use and of our export. For corn the figure is 15 percent of our normal domestic use and export.

If the figure of 15 percent is too low, we might change it to whatever is more reasonable.

I have pointed out, since we have so much wheat and so much corn in excess of our needs, it has been necessary to pay storage on that to such an extent that it has been burdensome. For wheat and corn alone last year we paid about $900 million in storage and other carrying costs, such as interest.

Mr. MILLER. This I understand.

Mr. ELLENDER. That is what I should like to wipe out, if I can. I feel confident that if the program which I envisioned May 25 of this year had been enacted we could have geared our production in line with our requirements, so as not to have on hand such an excess amount, but only an amount sufficient to take care of any contingency.

Mr. MILLER. I have two questions I should like to ask. First, what would the 15-percent carryover have amounted to, if we had kept within that 15 percent figure?

Mr. ELLENDER. We should have to figure that out on the basis of consumption. My recollection is that the domestic consumption and exports amounted to about 3.9 billion bushels last year. After adding the two together, we would take 15 percent.

Mr. MILLER. That is a total of roughly 4.6 billion bushels?

Mr. ELLENDER. That is correct. That would be what we would term, under the law, a normal carryover.

Mr. MILLER. Fifteen percent of domestic consumption and exports?

Mr. ELLENDER. That is correct.

Mr. MILLER. That would be about 597 million bushels.

Mr. ELLENDER. That is correct.

Mr. MILLER. Are we speaking of corn, or of all feed grains?

Mr. ELLENDER. That would be corn.

Mr. MILLER. What was the carryover, in fact?

Mr. ELLENDER. This year?

Mr. MILLER. Yes.

Mr. ELLENDER. I was going to cover that in a minute. I will cover all of this. But the carryover of corn as of October 1 is expected to be 1,650 billion bushels.

Mr. MILLER. I am sorry if I have anticipated what the Senator will cover in his speech.

Mr. ELLENDER. The Senator surely has.

I point out that in 1952 the carryover of feed grains—including everything—was 27 million tons.

In 1953 the carryover was 31 million tons.

In 1954 the carryover was 39 million tons.

In 1955 the carryover was 43 million tons.

In 1956 the carryover was 48 million tons.

In 1957 the carryover was 59 million tons.

In 1959 the carryover was 74 million tons.

The Senator will note that every year the carryover has been increasing.

Mr. MILLER. Yes. The Senator can see that, but what the Senator from Iowa is attempting to find out is where we stood at the beginning of the year 1962 in actual bushels of carryover of corn as compared to what would have been 15 percent, to which the Senator referred, which is approximately 597 million bushels.

Mr. ELLENDER. I gave the Senator the figures on tonnage a while ago. Reduced to bushels, that would be 1.6 billion bushels.

Mr. MILLER. In other words, we were about a billion bushels too high.

Mr. ELLENDER. This is for corn alone.

Mr. MILLER. That is the item to which I refer.

Mr. ELLENDER. Yes. This is for corn alone.

Mr. MILLER. In other words, at the beginning of this year we were about a billion bushels high.

Mr. ELLENDER. 1.6 billion bushels.

Mr. MILLER. A billion bushels over the 15 percent.

Mr. ELLENDER. 1.6 billion bushels.

Mr. MILLER. One billion bushels over the 15 percent. The 15 percent would amount to 597 million bushels.

Mr. ELLENDER. I see what the Senator means.

Mr. MILLER. I am trying to get at the amount which is causing us concern.

Mr. ELLENDER. Yes.

Mr. MILLER. There are two ways of approaching the problem. One is to try to chop the surplus down all the way. Another would be to chop it down part of the way, and revise the proposed 15 percent. So I return to the second question which I should like to ask the Senator, which is whether the Senator thinks that 15 percent is a suitable target.

Mr. ELLENDER. That is a question which would probably require study. I do not believe it would take very long to come to a conclusion. So far as I am personally concerned, if 15 percent is not the proper percentage, we could make it 20 percent. In saying what farmers ought to produce in order to obtain price supports, we must have some level. That is why I refer to the present law. These laws were enacted back in 1938. They worked very well for cotton and other commodities. But we have never been able to put a corn program into effect. It was only a partial program. Unfortunately, there was a little "gadget" by which the Secretary of Agriculture was able to provide price supports for noncompliers. That is what did much injury to the program.

That provision, as the Senator knows, is still in the law although we have tried to eliminate many of the loopholes, as I call them.

If we are to have a price support program, the percentage could be increased to a figure which would be reasonable. That, of course, could be attained if, as, and when we enact legislation.

Mr. MILLER. Does not the Senator agree with me that we ought to try to fix our sights on some definite figure? As I see it, our sights are set at 597 million bushels. We are not concerned about that amount. That provision is in the law. We are concerned about the 1 billion——

Mr. ELLENDER. No. That amount is in the law, provided we have acreage controls.

Mr. MILLER. Yes.

Mr. ELLENDER. But we do not have acreage controls. Under the act of 1958, the Secretary of Agriculture is bound to let farmers plant all they desire, and then to support the price of the commodity at 90 percent of the average market price for the past 3 years, or 65 percent of parity, whichever is the higher.

Mr. MILLER. Yes. I come back to the proposition that if we are to worry about a billion bushels over the 597 million bushels, that is one thing. Perhaps we should worry about only half a billion bushels. But I thing it would be helpful to other Senators if the Senator from Louisiana, with his long experience on the Committee on Agriculture and Forestry, would provide a target for us rather than merely talk in terms of surpluses, without pinpointing any particular amount of surplus that is undesirable.

Mr. ELLENDER. What the Senator from Iowa has stated would come into focus when we take up a realistic corn program. We would spell out the yardstick under which the Secretary of Agriculture would say how many acres of corn could be grown for our requirements.

As I have said, the law pertaining to corn has never been put into effect, as it should have been, because of the resistance on the part of corngrowers. In contrast there are programs in the case of cotton and rice.

For example, let us consider the case of rice. The Secretary of Agriculture takes into consideration, before he states how many acres of rice may be planted, the amount of export and the amount of domestic consumption. He adds those figures together and takes 10 percent of the total for surplus. Then he divides up the number of acres that are required to produce that amount of rice.

However, in the law there is a provision that acreage shall not be less than 1,600,000 acres. But lately we have been planting 1,800,000.

The same applies to cotton. It strikes me that the program under which we have proceeded in the past in relation to the basic corps I have mentioned can easily be applied to corn without any ifs and ands. If the 15 percent of domestic consumption plus exports is too low, we can increase the amount when we consider permanent legislation next year, if we cannot enact it this year.

Mr. MILLER. I can see that the same approach might possibly be used. I suggest that perhaps it would not be as easy to apply the program to corn as to some of the other crops, because, as the Senator knows, there is a big factor in the middle, namely livestock population. That can make the program much more difficult. I agree with the Senator that we should seek some objective in connection with total requirements. In that connection, I suggest to the Senator that it would be helpful to Senators if we had guidance or recommendations from him and his committee.

Mr. ELLENDER. Of course, there will be recommendations when hearings are held on the corn program, that is, when we deal specifically with corn. As I pointed out a while ago, the surplus has been increasing from year to year, which indicates to me that there is too much carryover.

The reason is that there is no limitation on production. Yet the farmers get price supports for all of it. That is what I want to try to stop if I can. There is no reason why the law should not be amended so that farmers who produce these very valuable commodities would produce in keeping with our requirements. It is that simple. As I have said, if 15 percent of our domestic consumption and export is not sufficient, let us make it 20 percent. We could make it 25 percent. But the point is that we should not permit overproduction and then make Uncle Sam carry the load. That is what I am against.

Mr. MILLER. The Senator is saying that there must be a compulsory way of stopping it.

Mr. ELLENDER. There is no doubt about it.

Mr. MILLER. I have doubts about it. I think others have doubts. There are two ways. One way is to put a stop to it by compulsion. Another way is through an attractive enough voluntary program to achieve the same objective.

Mr. ELLENDER. The Senator cannot have both.

Mr. MILLER. The Senator does not want both.

Mr. ELLENDER. The first thing we ought to do, in my opinion, is to reenact the compulsory program that we enacted in May. I am realistic enough to know that it would probably be difficult for us to persuade the House to go along with us. In the absence of having the House go along, we might extend the emergency program for another year. We would then have had that program for 3 years, and we would have considerably reduced the carryover.

It strikes me that that surplus will be reduced sufficiently, so that the farmers ought to be able themselves to say what is necessary for that purpose; how many bushels they ought to produce; and we should not let them go wild and plant all they can, with the knowledge that Uncle Sam will buy up what they cannot use. That is what I am against.

Mr. MILLER. What will happen if that surplus is not reduced that much?

Mr. ELLENDER. It will be reduced if my plan goes through.

Mr. MILLER. The Senator is saying if his plan is continued, that is, if the emergency program goes through for another year, the surplus will be reduced.

Mr. ELLENDER. I do not want the emergency program to go through, unless we can have one of two things: either controlled production next year, or else do away with the 1958 act, which forces the Government to pay corngrowers and other feed grain growers for producing unlimited quantities

Mr. MILLER. I appreciate the Senator's pointing out his position. It is important for us to understand these things.

Mr. ELLENDER. I though the Senator understood it from the beginning, because as I argued that position on the floor all during May for 5 days.

Mr. MILLER. I thought I had understood it, but I was not sure about some of the other parts, which the Senator has developed in the way that I had hoped he would. I appreciate it very much.

Mr. ELLENDER. I thank the Senator.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I believe the Senator from Idaho has made a good point, in that, although the carryover of wheat, corn, feed grains, and other commodities is referred to as surplus, the fact is that, following World War II, in 1947, I believe, the Appropriations Committee wrote a proviso into an appropriation bill requiring that the Commerce Department could not issue an export permit for any wheat if our surplus fell below 150 million bushels.

Mr. ELLENDER. They did the same thing for cotton.

Mr. YOUNG of North Dakota. At a time when the rest of the world was starving, we insisted on keeping a 150-million-bushel carryover. In these critical times, we probably want a carryover of 400 or 500 million bushels.

Mr. ELLENDER. Yes, but the carryover under the law as it stands now, as the Senator knows, amounts to over a billion bushels.

Mr. YOUNG of North Dakota. It is expected to be about 1,224 million bushels.

Mr. ELLENDER. As the Senator knows, under the law the Secretary of Agriculture must include a carryover of at least 20 percent of our domestic requirements, plus our exports. Therefore it would be around 240 to 300 million bushels that we would have to keep on hand.

Mr. YOUNG of North Dakota. Our overall wheat production now, except for the current year, has been in excess of disappearance, foreign and domestic. This year's estimated production will be 1,063 million bushels. This is from 44 million acres. If we had an 88-million-acre production, it would be much more, of course.

Mr. ELLENDER. I know the Senator realizes that the present minimum acreage should have been changed quite a while ago. As I remember, the Senator voted for the bill that the Senate finally passed, 2 or 3 years ago, and we had hearings before the Senate committee on it for some time. If that bill had been enacted we would have a wheat production today in line with our requirements, in my humble opinion.

Mr. YOUNG of North Dakota. Only a few years ago the American Farm Bureau Federation advocated that there be a strict reduction in the acreage in wheat and other surplus commodities, along with cross-compliance.

Mr. ELLENDER. Certainly. Under temporary program farmers were required to reduce the feed grain acreage by 20 percent in order to be eligible for price supports and were authorized to divert up to an additional 20 percent of

feed grain acreage. Under these programs farmers would be paid for not producing feed grains. Last year payments to farmers amounted to $782 million. Production of corn was decreased by 284 million bushels below 1960 and production of sorghums was decreased by 137 million bushels.

Estimates by the Department of Agriculture indicate that this year the program will cost about $1,117 million for the three crops covered by the act, that is corn, sorghum grains and barley. While all information is not yet available, indications are the production of corn will be about 106 million bushels less than last year and barley about 1 million less. Estimates for grain sorghums show an increase of 2.6 million bushels over 1961.

Mr. President, there is no doubt that the emergency feed grain programs have been successful in reducing production to the extent that total carryover of all feed grains at the end of this marketing year will be about 11.7 million tons less than it was last year. But I submit, Mr. President, that the cost of reducing stocks of these commodities have been extremely high and that fiscal responsibility would require that this Congress face up to the fact that programs of this nature cannot be continued indefinitely and that unless we proceed to enact permanent legislation for the feed grains, the huge sum that we have spent for these emergency programs would have been spent in vain.

As I previously pointed out, the Secretary of Agriculture asked for these emergency programs only in order that he have time to develop and transmit to the Congress a permanent program for feed grains. He realizes, and I think all Senators present realize, that the taxpayers of this Nation will not long permit a program so costly to be foisted on them. It is my opinion that unless we in this body act in a positive manner to remedy this situation that all farm programs may well be jeopardized.

That is why, Mr. President, I personally hope that this Senate will again adopt the exact bill that it passed on May 25. In my considered judgment, this was a realistic bill in its treatment of feed grains. Being a realist, however, I am aware of the many difficulties that we may encounter in the House of Representatives, and it may be necessary for us to modify the original majority views so as to obtain permanent legislation of a sort.

Mr. President, H.R. 12391, as recently reported from the committee, contains a permanent program for wheat, but ignores the problem of feed grains, for it extends again the so-called temporary program for feed grains for 1963. In addition, H.R. 12391 contains none of the floor amendments which were included in S. 3225. It would appear to me that the Senate should be desirous of sustaining its original position on the farm bill. This could best be accomplished by the complete substitution of the language of S. 3225 as passed by the Senate in lieu of the language substituted by the Committee on Agriculture.

Under such a procedure we would be in a better position to deal with the House in conference. I am a realistic individual and knowing the sentiment of the House in advance, I fear that the Senate version will not be acceptable as contained in the substitute that I proposed to offer.

But I repeat that is proper procedure and would place us in a much stronger position to obtain a realistic program affecting corn and the other feed grains.

Senators will remember that S. 3225, as passed by the Senate, contained a limited land use adjustment program, limited amendments to Public Law 480, a mandatory feed grain program beginning in 1963, a certificate program for wheat beginning in 1963, certain amendments to the Farmers Home Administration Act, and provisions relating to the industrial uses of of agricultural commodities. This differs from the committee amendment now before us in that the committee amendment does not include a mandatory feed grain program and certain other minor amendments which were incorporated after extended debate.

EXPLANATION OF DIFFERENCES BETWEEN S. 3225, AS PASSED BY THE SENATE, AND THE COMMITTEE AMENDMENT TO H.R. 12391

Titles I, II, and V of S. 3225, as passed by the Senate, are identical to the committee amendment to H.R. 12391. S. 3225, as passed by the Senate, differs from the committee amendment to H.R. 12391 in that S. 3225 provides for:

First. A mandatory feed grain marketing quota and diversion program.

Second. Loans to fish farmers under the Consolidated Farmers Home Administration Act.

Third. Advertising under cherry marketing orders.

Fourth. Commodity Credit Corporation policies with respect to the sales price of commodities sold by it and the use of the usual channels of trade.

Fifth. Utilization of producer associations in the administration of programs of the Department of Agriculture.

For the RECORD, I shall explain S. 3225 as it passed the Senate on May 25.

Title I, which relates to land use adjustment, provides for:

First. Permanent administration of the agricultural conservation payment program by the Secretary of Agriculture.

Second. Long-term contracts for the diversion of cropland to conservation, recreation, or nonagricultural purposes.

Third. Loans to State and local public agencies to assist in carrying out land use programs.

Fourth. Amendment of the Watershed Protection and Flood Prevention Act to provide for Federal cost sharing in land and installation costs for recreational purposes, advances of land costs to prevent encroachments for other purposes, and a more equitable method of determining Federal and local shares of installation costs.

Title II amends title IV of Public Law 480, 83d Congress, which relates to sales of surplus agricultural commodities on long-term dollar credit, to provide for such sales to the private trade and to financial institutions acting for friendly nations; to emphasize agricultural trade development as a purpose of title IV; to provide for somewhat easier payment terms; to provide for the President's permitting other supplying countries to participate in such agreements rather than requiring the Secretary to seek such participation; and to require the President to take appropriate steps to assure that private trade channels are used to the maximum extent practicable and give special consideration to developing markets for agricultural commodities.

Title III provides for a permanent marketing quota program for corn, sorghum, and barley, designed to reduce Commodity Credit Corporation stocks gradually, without unduly restricting farmers' operations, and without diverting the land to other surplus crops. Consequently, provision is made for a minimum national marketing quota of 110 million tons and for various necessary exemptions, as will be noted later. Acreage required to be diverted from these feed grains could not be planted to crops in surplus. For the first 3 years payments could be made for diversion of such acreage to conserving use at not to exceed 50 percent of the support rate for the normal production of the acreage diverted. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at 0 to 90 percent of parity.

This provision was thoroughly considered by the Senate, and several amendments to the original feed grain amendment offered by me were adopted before the Senate incorporated it in S. 3225.

Under this provision a marketing quota would be proclaimed for 1, 2, or 3 marketing years whenever the Secretary determined that the total supply of feed grains would be excessive. The quota would assure that all our requirements would be met and permit needed reduction in Commodity Credit Corporation stocks. In no event could the quota be less than 110 million tons.

The national acreage allotment is designed to result in production of the amount of the quota.

Exemptions would permit any farm to plant up to 25 acres or its base acreage, whichever was less; to plant up to its base acreage if it were in a deficit area; and to produce the same amount of silage that it produced during the base period. Since rye and oats are not subject to the marketing quota program, any farm could produce all of the rye and oats it desired. Excess barley acreage could be disposed of by grazing up to 30 days before normal harvest with no penalty. I point out that the same treatment is being accorded to wheat producers under regulations by the Secretary of Agriculture in accord with existing law.

The quota could be effective only if approved by two-thirds of the producers voting in a referendum.

Wheat and feed grain acreage might be substituted for each other to such extent as would not impair the program. The penalty for violating the program would be 65 percent of the parity price multiplied by the excess bushelage.

The difference between the base acreage and the acreage allotment would be required to be diverted from the production of crops in surplus supply, and for the first 3 years' payment could be made for diversion of such acreage to conserving uses at not to exceed 50 percent of the support price multiplied by the normal production of the acreage diverted. The Secretary would be authorized to make payments for diversion of an additional 20 percent of the farm acreage allotment, and producers could elect to divert at least a total of 25 acres and receive payments thereon. Payments at up to 50 percent of the regular rate could be made for diversion of the land to guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not available, and flax, so long as they are not in surplus. The Secretary may make special exemptions for malting barley.

The wheat provisions of S. 3225, as passed, are identical to those of the committee amendment to H.R. 12391, except for provisions relating to cross-compliance with feed grain quotas which are contained in S. 3225.

Title IV of S. 3225, like the committee amendment to H.R. 12391, provides for loans for recreational purposes and sewers, increases the amount of direct loans for resale which cannot be made from the agricultural credit insurance fund, and provides for a direct loan account for the Rural Electrification Administration. In addition, it provides for loans to fish farmers, advertising under cherry marketing orders, Commodity Credit Corporation policies, and the use of farmer associations in the administration of agricultural programs.

Title V would establish within the Department of Agriculture a new Agricultural Research and Industrial Use Administration to expedite efforts to develop new uses for farm products, new crops to replace those in surplus, and additional means of disposal of surplus commodities in Government inventory.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. COOPER. If the section of the bill relating to a modified wheat allotment program, with certificates, should become law, would a referendum be held to determine whether wheat farmers would accept it?

Mr. ELLENDER. Yes.

Mr. COOPER. What alternative is offered the farmer?

Mr. ELLENDER. None.

Mr. COOPER. If he did not accept it, there would be no national marketing quota, no requirement to plant within acreage allotments, and no opportunity to obtain price support at 65 to 90 percent of parity for certificate wheat?

Mr. ELLENDER. If the referendum rejected the program, the compliers would be supported to an extent not to exceed 50 percent of parity.

Mr. COOPER. Then there is that discretionary level of support, 0 to 50 percent of parity, for cooperators even if wheatgrowers voted down the proposed program?

Mr. ELLENDER. Yes. A similar principle applies to all other crops, such as cotton and rice.

Mr. COOPER. All except tobacco; there is no support for tobacco if the tobacco program is rejected in the referendum.

Mr. ELLENDER. But for tobacco there is a price support of 90 percent.

Mr. COOPER. Yes, if tobacco farmers vote to maintain the acreage allotments. But I wanted it made clear in the RECORD that if one-third of the wheatgrowers should vote in the referendum to reject the program, the Secretary could still proclaim the national marketing quota and could establish wheat acreage allotments for farmers, although they would not have to stay with that acreage.

Mr. ELLENDER. Yes; in other words, allotments could be made to farmers.

Mr. COOPER. If the farmers planted within the wheat acreage allotment, they would be supported at 50 percent of parity?

Mr. ELLENDER. Up to 50 percent of parity.

Mr. CAPEHART. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CAPEHART. That could not possibly apply to wheat, this year, could it?

Mr. ELLENDER. Yes, it could, because the referendum will soon be submitted to the farmers.

Mr. CAPEHART. But that could not possibly be done in time to apply it to the winter wheat.

Mr. ELLENDER. Yes, we are so late now that it could not apply to the emergency program. So the Secretary of Agriculture is bound to go to the old law, which was enacted in 1938. If the vote is less than two-thirds of those voting, the Secretary of Agriculture will be required, under the law, to set the price support for compliers at 50 percent of parity.

Mr. CAPEHART. What acreage was allowed in the 1938 law?

Mr. ELLENDER. Fifty-five million acres, and that is the law now. We are now trying to reduce it so that the production of wheat will be in keeping with our requirements.

Mr. President, during the debate on this issue, I have referred to many tables indicating the cost of the various programs. As I stated a moment ago, I hoped to enlarge on the tables and to indicate to Senators the necessity for our resorting to permanent legislation, rather than the emergency programs.

I can well remember when, only 2 years ago, it was the intention of the Committee on Agriculture and Forestry to enact permanent legislation in regard to corn and other feed grains, as well as the wheat program. The only reason why these emergency programs were placed on the statute books was to give the House committee and the Senate committee an opportunity to hold hearings and to make every effort to come forward with a permanent program.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Louisiana yield to the Senator from Kansas?

Mr. ELLENDER. I yield.

Mr. CARLSON. The chairman of the committee has discussed the wheat program. I notice that in the bill which was passed by the House there is a section 360(i), on substitution of wheat for feed grains. That section is not in the bill the Senator from Louisiana has presented to the Senate, is it?

Mr. ELLENDER. It is not. It was in the corn provision. Does the Senator mean to substitute one for the other?

Mr. CARLSON. In view of the fact that we have a voluntary program, does the Senator from Louisiana think that should be included? I can understand why it might not work so well in a voluntary program; and I do not propose to submit an amendment at this time. But I should like to have the benefit of the Senator's views in regard to the inclusion of such a provision in this bill.

Mr. ELLENDER. The Senator from Kansas knows that under the grain provision there is an option on the part of the grower to substitute corn, if he desires, for wheat, or vice versa. Since it is apparent that we may not be able to reenact the feed grain provisions which were in the bill the Senate passed in May. I hope to look into the matter; and I shall cooperate with my good friend the Senator from Kansas, and with others who are interested in this subject, in the hope that we can include something to remedy the situation—in other words, to make it possible, if they think it necessary, to substitute wheat for feed, instead of corn.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield again to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. The Senator from Louisiana knows that the Secretary of Agriculture did recommend that.

Mr. ELLENDER. Yes.

Mr. CARLSON. And he still does. I was hoping that the Senator from Louisiana would give some thought to this matter.

Mr. ELLENDER. I will; and I hope the Senator from Kansas will also study it. It may be that by tomorrow we can get together on this bill, and I shall cheerfully look into any suggestions the Senator from Kansas may make in that regard.

Mr. President, as I was about to say a moment ago, earlier today I discussed these emergency programs and the reason why they were placed on the statute books. But, somehow, they have been renewed each year; and now we are about to renew the temporary corn and other feed grains program for another year—which will make 3 years in succession. All of them have been temporary, and have been placed on the statute books in the hope that in the meantime we could pass some permanent legislation.

At this time I should like to have printed in the RECORD certain tables. Table 1 goes into detail to indicate the cost of the program, the production, the acreage signup, and other material which may be of use to Senators who desire to study the emergency programs as I did. The table will indicate to them how costly these programs are. It is true that we have had some reduction in the surplus; but when we compare that to the cost moneywise, and then when we consider the fact that at the end of the emergency we still have had the old law to return to—the one which has given us so much trouble—it is not very encouraging for us to keep on extending these emergency programs and to let the old program remain on the statute books.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD table 1, which shows the cost, the production, and the signup for the 1961 feed grain program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I—*Facts, 1961 feed grain program*

COST (MILLION DOLLARS)	
Corn payments	645.0
Sorghum grain payments	137.0
Total	782.0
Administrative costs	42.8
Total	824.8
PRODUCTION (MILLION BUSHELS)	
Corn	
1960	3,908
1961	3,624
Decrease	284
Sorghum grain	
1960	620
1961	483
Decrease	137
Total decrease corn and sorghum production	421
ACREAGE SIGNUP (THOUSAND ACRES)	
Corn	20,091
Sorghum grain	6,597

Mr. PROXMIRE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. PROXMIRE. I should like to ask the Senator from Louisiana a question: Is it not true that one of the serious problems in connection with the mandatory feed-grain proposal has been the very strong possibility that it would not be approved in a referendum? It was a serious problem, because, as the Senator from Louisiana has pointed out, 85 percent of those who voted would not sell feed grains, but would have them consumed on the farms. And when we come to consider the dairy farmers, it is obvious that when they have 75 to 90 percent price support, they would have no reason at all to vote for mandatory feed-grain control, for to do that would be to vote to damage their own interests.

In view of the fact that the turkey referendum failed, although the Department thought it would be adopted, is it not true that a strong argument against the mandatory feed-grain proposal arises from the real likelihood that it, too, would fail, and then there would be real chaos on the farms?

Mr. ELLENDER. That was the point the Senator made when he opposed this part of the bill. But I did not agree with him that the farmers would not undertake it. I felt that the dairy farmers were well protected, and did not have to come under the bill if their acreage was 25 acres or less. So, in view of that situation, and also in view of the fact that they could produce all the silage they desired—with all that they produced the year before to be used as a base—I could not quite agree with the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, will the Senator from Louisiana yield again to me?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. The fact is that the farmers come under this bill. They are limited. They are restricted regardless of whether they produced only 1 acre of feed grains. They would be limited to their 1959–60 base, in the administration's mandatory feed grain proposal.

Mr. ELLENDER. They could not increase their acreage above the 1959–60 base under either of these exemptions.

Mr. PROXMIRE. Yes.

Mr. ELLENDER. Of course the Senator from Wisconsin knows that we tried to take care of the new ones to some extent.

Mr. PROXMIRE. The size of almost every farm in my State has grown. The average size of our farms has grown tremendously. This means we would have to cut back on the production of most farmers.

Mr. ELLENDER. They produce too much. That is the trouble.

Mr. PROXMIRE. We consume too little.

Mr. ELLENDER. What has caused this overproduction, in my opinion, is the fact that we have on the statute books a law which forces Uncle Sam to support the price of milk at from 75 to 90 percent without limitation on production.

Mr. PROXMIRE. This is the first time in the history of our country when consumption of dairy products has not only not kept pace with the increase in population, but has actually dropped. It is unfair to blame this on the farmer. There have been developments as a result of nuclear testing and findings on cholesterol which have had some effect on this result.

Mr. ELLENDER. But production has increased. Last year production increased by some 2½ billion pounds.

Mr. PROXMIRE. Almost 2 percent.

Mr. ELLENDER. I realize that my good friend Orville Freeman felt, as did the Senator from Wisconsin, that consumption would keep up with this fast pace.

Mr. PROXMIRE. The conviction on our part was that consumption would keep pace with the population growth. If it had, there would have been no problem.

Mr. ELLENDER. I doubt that, because, the Senator from Minnesota [Mr. HUMPHREY] has been very successful in getting us to adopt the milk for school children program, which legislation I fostered.

Mr. HUMPHREY. The Senator is correct.

Mr. ELLENDER. As to other segments of our society, relative to milk consumption, over $120 million has been expended. That is quite an effort to drain off excess milk. Incidentally, these programs all continue to rise in cost, and Uncle Sam is asked to take over.

I am much in sympathy with the dairy farmers . They are hard-working people They are not receiving what they should receive, by any means. Yet, as I have said, can Uncle Sam continue to support the prices of a commodity without any controls whatever and keep the taxpayers satisfied?

Last year the losses on milk alone, aside from the school milk program, were $585 million. This year the loss will exceed $500 million.

If these programs continue, what will happen to other programs? They may result in putting the whole farm program in jeopardy. That is what caused me to introduce the dairy bill last week. I hope it will serve as a warning to the farmers of our country that we in Congress mean business if they do not try to put their own house in order. I am calling on them to come to us, or to have us go to them, in the hope that we can work out some plan whereby the program will not cost the Government so much and so milk and other dairy products will be produced in accordance with needs.

Mr. PROXMIRE. I may point out to the Senator from Louisiana that the figures I have in my hand show the cost of the operations for cotton, dairy farms, feed grains, and wheat. From 1959 to 1961—it was somewhat different last year—the losses for cotton were 12 percent of the value of the marketings. For wheat they were 12 percent. For feed grains, 8 percent. For dairy production, 5 percent.

Over the years, the losses on dairy products have been less than any other product in relation to the value of marketings.

The important thing to remember is that the losses on commodities have been small when we recognize that food prices are so low in relation to wages and other costs.

So if we add to John Q. Public's food bill, his per capita share of taxes to pay for this farm program the total food plus taxes cost is very modest—less by far than in any other country or than it has ever been—in relation to wages and salaries in the Nation's history.

Mr. ELLENDER. First, I want to compliment my good friend. He is a great economist. I suppose he is one of the best economists in the Senate. He knows how to use certain statistics to show this and that. I will not say juggle the figures. But I am going to show that although the milk program started in 1949 and the other programs started in 1933, the milk program has cost more than any of the other programs. I am not complaining so much about that, but I am certain that if we do not make a

beginning of an end of this trend, we are absolutely going to destroy the programs that have been on the statute books for quite some time. If that is ever done, think of what would happen to the farmer and the depression they would face. There is no telling what would happen. I do not want those things to happen, but, at the same time, we must keep in mind another segment of our society, and that is those who, on April 15, have to pay the income taxes which support farm programs.

As I shall show, the milk program has cost several billion dollars. If Congress did nothing to try to prevent this accumulation of cost, I think we would be derelict in our duty.

If we could get together and have a realistic program which would keep production of important commodities in keeping with the needs, not only for domestic consumption but for export, we might get by; but to continue this enormous production and piling up of surpluses is unthinkable. As I pointed out last Friday, we have enough butter on hand to take care of 90 percent of the storage capacity for that purpose in the country. It is getting to the point where we cannot get rid of butter fast enough to equal the purchases. In other words, we are at the point where we are purchasing more butter than we have storage capacity for or can give away. Something must be done to curb such overproduction.

The same applies, to some extent, to dry milk. We have great surpluses of dry milk. I think it is in excess of 500 million pounds. I will get those figures in a moment, because I cannot keep them all in mind.

Mr. PROXMIRE. I hope when the Senator gets these figures he will relate them to the value of the marketings, to give them some meaning. When that is done, we can see what the real cost of the farm program is, relative to the cost of the programs for cotton, wheat, and feed grains.

Mr. ELLENDER. It is possible that it would be greater than 12 percent on cotton if we put it on the basis of the value of the marketings.

Mr. PROXMIRE. That is my point, because more customers and more farmers are involved and a greater value of food is involved. I think the Senator from Louisiana made a fair and wise decision in saying we should carry over the voluntary feed grain program this year, with the condition, however, that the 1958 act, which I voted against, and which I think was improper and unwise, would be repealed.

I think meanwhile it might be possible for those of us who disapproved of the proposal this year to get together and to come up with a program which will work. I think an enormous selling job has to be done in the feed grains area. Otherwise, I think we are sure to lose any referendum, and to have a disaster.

Mr. ELLENDER. I assure Senators that if I live, and if I am still the chairman of the Committee on Agriculture and Forestry—which I think I shall be, for I do not think the Republicans will win this year—we will start early next January to get a realistic feed grain bill on the statute books, as well as a dairy bill. If we can have on the statute books a wheat bill, which I hope we can, which will be effective—as I know this one would be—I will be partly satisfied. I will be satisfied if we can do away with the 1958 act insofar as it provides mandatory support for corn and other feed grains.

As I have pointed out before, I repeat time and again: I do not believe the American people will keep on supporting programs which are so costly unless we do something to curtail these surpluses. We have done it as to three or four of our basic commodities. If we can add wheat, that will be another. We can add corn next year, and also milk and other products.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. ELLENDER. Then we might be able to do something to alleviate the fear that we will drain the Treasury.

Mr. ROBERTSON. Our distinguished colleague has said that he wants to start next January to write a real wheat bill.

Mr. ELLENDER. No. We will write the wheat bill this year.

Mr. ROBERTSON. This year?

Mr. ELLENDER. Yes.

Mr. ROBERTSON. I believe we have sold, in order to get rid of some of these mounting surpluses of wheat, some $6.3 billion worth for soft currencies.

Mr. ELLENDER. The figure is higher than that.

Mr. ROBERTSON. That is the figure I was given. These are soft currencies of countries we keep afloat with the money voted for foreign aid.

Mr. ELLENDER. The amount of sales for foreign currencies was even larger.

Mr. ROBERTSON. For soft currency.

Mr. ELLENDER. Yes, for foreign currencies.

Mr. ROBERTSON. I mean soft currencies.

Mr. ELLENDER. The foreign currencies that are soft.

Mr. ROBERTSON. I am talking about the soft currencies; that is, the worthless money.

Mr. ELLENDER. Yes. That amounts to almost $7 billion.

Mr. ROBERTSON. Almost $7 billion.

Mr. ELLENDER. Yes.

Mr. ROBERTSON. It has gotten somewhat ahead of my figure.

Is it not true that when we sell for hard currencies we subsidize the price at 65 cents a bushel?

Mr. ELLENDER. That is correct, for wheat. I will put all of that in the RECORD.

Mr. ROBERTSON. Is it not true that when we adopted the acreage limitation provision of 55 million acres the production averaged 11-something an acre and now is averaging 22-something an acre, nearly twice as much?

Mr. ELLENDER. That is correct. In 1960–61 yields averaged 26.2 bushels per acre. In 1938 they were 13.3 bushels.

Mr. ROBERTSON. Yet we still have a limitation of 55 million acres. Is that correct?

Mr. ELLENDER. That is correct.

Mr. ROBERTSON. Then what is wrong with my amendment, which would say, "You shall have no minimum acreage after this. Let the Secretary of Agriculture fix it"? What is wrong with that?

Mr. ELLENDER. There is nothing wrong with it. The only problem is that it would not get enough votes in the Senate to pass it, without the other provisions contained in the committee amendment.

Mr. ROBERTSON. Then that is what is wrong with it.

Mr. ELLENDER. Yes.

Mr. ROBERTSON. As to the corn, I understand the Senator would like to continue the voluntary program for 1963 and then do something for 1964.

Mr. ELLENDER. Not exactly.

Mr. ROBERTSON. I have a corn amendment which would provide, for 1964, to drop the price support from 90 percent of the 3-year average to 80 percent.

Mr. ELLENDER. That is the House provision.

Mr. ROBERTSON. That is the House provision. What is wrong with that?

Mr. ELLENDER. To me it is wrong, and I will give the Senator the reason.

Mr. ROBERTSON. This would drop the support down to a little more than 50 percent, so that the farmers would not be able to sell to the Government. Would that be wrong?

Mr. ELLENDER. In other words, it would not remedy the situation about which there is complaint. The Senator well knows that the record shows that when the support price of a commodity goes down, more of that commodity is produced. That has been the history in the past. The Senator's amendment would be an excellent amendment if we had some kind of control on the acres to be planted.

I have not had time to study the Senator's amendment carefully. If I am wrong the Senator can correct me, but as I understand the Senator's amendment it would provide for a price support on corn and other feed grains at 80 percent of the average of the last 3 years' market value.

Mr. ROBERTSON. A little more than 50 percent of parity.

Mr. ELLENDER. Very well.

Mr. ROBERTSON. A person could not afford to raise it and sell it to the Government for that price.

Mr. ELLENDER. The Senator is mistaken about that. The amount of the payment would be about 85 cents a bushel. I know of a lot of large farmers in this country who can plant and make big money at 85 cents a bushel. That is one of the weaknesses of the Senator's amendment.

Mr. ROBERTSON. And one of the weaknesses of the present law is that the Government is paying $1.15 a bushel. That is a lot worse. The Government is buying at $1.15 a bushel and is selling at $1.04 a bushel. We have accumulated some $3 billion worth.

The answer is that eventually everyone in the country will be regimented. We have regimented poverty in the South because of cotton, tobacco, and peanuts. The economy of the South is far below

the average economy in the Nation. The income of the people is below the average of the Nation.

I tell the Senator that if we do not get back to private enterprise we shall have a regimentation of our farmers longer than the Senator and I will ever live.

Mr. ELLENDER. The Senator's State is a big producer of tobacco. What would happen to the tobacco industry if we took off all price supports? Can the Senator tell me the answer?

I will tell the Senator what would happen under these programs, as surely as we are talking together, if we were to take all price supports off of cotton, off of tobacco, and off of the other basic commodities. There would be a depression.

Mr. ROBERTSON. The trouble is that the Senator and I, in the Senate in 1949, voted against rigid price supports, but when the bill went to the House it did not come back to the Senate until September, and there was an insistence on rigid price supports. After that we had what the Senator described. There was support of butter, of milk, and of whatnot, and even a big loss on potatoes.

Mr. ELLENDER. Yes.

Mr. ROBERTSON. Then the price supports were fixed for tobacco and other commodities, so that they are tied into a system and do not know how to get away from it. I say, before it is too late we should let our cattlemen, our poultrymen, and those who use feed grains get back to a private enterprise system. We should do something before it is too late, or they will never get back.

Mr. ELLENDER. Does the Senator mean to say to let the farmers grow all of the corn and feed grains they wish?

Mr. ROBERTSON. I say we should cut the price support down to the point that they will not produce more than they can use, to sell at their own risk. As soon as we provide controls, the consumption of feed grains will be greatly reduced.

Mr. ELLENDER. It would be necessary to make the support price much lower than 85 cents a bushel. I can tell the Senator that.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON. Mr. President, the Senator from Louisiana knows that the main thing we need is controls, to keep from having overproduction. That is the main thing needed, is it not?

Mr. ELLENDER. That is one of the things needed.

Mr. JOHNSTON. We must have strict controls.

The cost sheet which I have proves that when there have been strict controls the Government has paid out very little. Is that not correct?

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON. We can use cotton as an example. So long as there were strict controls, even with high support prices, going up to 90 percent of parity, the Government paid out very little of its money. I noticed that, with respect to cotton, from 1933 to 1950 the Government made $236 million.

Mr. ELLENDER. Yes.

Mr. JOHNSTON. But when the Government put the program on a sliding scale, so to speak, and let the farmers grow more cotton, even when the price support for the farmer was a smaller amount of parity, the Government started paying out money.

With respect to tobacco, Senators will find that the Government made some $5.5 million from 1933 to 1950, though it had price supports which gave to the farmer the right to obtain a good price for his tobacco.

I think the figures show that the program really works. On the other commodities, the farmers have been given the right to grow more, and to cut down on the price supports, but then the Government had had to pay out money in large amounts. Wheat is a good illustration of that. Feed grains are another good illustration of it.

I have always contended that there should be strict control. If we turn the program loose, and let every farmer plant all he wishes to plant, with no supports, the middlemen and profiteers will gobble up all the profits of the farmers. So we must protect the farmer.

Mr. ELLENDER. Mr. President, I also have a copy of the table to which my good friend from South Carolina has referred. I expect to place it in the RECORD in order to show the losses up to 1950. My good friend will observe in the table, as I recollect, that from 1950 up to date, the losses on all commodities have increased considerably. I expect to put the entire picture before the Senate before I sit down.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I thank the Senator for yielding to me.

First, I commend the Senator on his very lucid, reasonable, and sensible explanation of the complicated business called agricultural legislation, and particularly the proposals before the Senate.

I should like to see if there is a meeting of the minds on the subject. The bill before the Senate would provide a national minimum bushelage for wheat of 1 billion bushels.

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. That is based upon the known disappearance of both domestic and foreign bushelage on a yearly average.

Mr. ELLENDER. Just about. As the Senator knows, in recent years it has been about 1.2 billion.

Mr. HUMPHREY. Would the bill take care of domestic consumption, exports, and a reasonable carryover?

Mr. ELLENDER. That is correct. We want to reduce the carryover which now is excessive, but a reasonable carryover would always be provided for.

Mr. HUMPHREY. The law that we would amend has a 55-million-acre minimum; is that correct?

Mr. ELLENDER. As a minimum; yes.

Mr. HUMPHREY. That is the crux of the problem in the wheat area.

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. As the Senator from Virginia explained a moment ago, production per acre has gone up about 100 percent.

Mr. ELLENDER. Almost.

Mr. HUMPHREY. The minimum acreage has remained the same.

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. So under the price support program the Government has made rather substantial purchases as a requirement under what we call the marketing practices of the Commodity Credit Corporation.

Mr. ELLENDER. The reason for that is the Government's inability to act when the acreage indicated is 55 million acres or less.

Mr. HUMPHREY. In other words, because we did not change the law, the department was powerless to act.

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. The Senator from South Carolina has made a very valid point, and one which has been debated on the floor of the Senate repeatedly; namely, that when we utilize only the lowering of support levels as the only means of curbing production, it fails. If we are to lower production, we also must do something about either acreage, bushelage, or the units, and exercise some governmental controls over production.

Two philosophies have been debated on the national scene and in Congress relating to farm legislation. One is that the way to persuade farmers to produce less is to reduce the price. Anyone who entertains that belief has been smoking opium, because it is ridiculous. It does not work. In the dairy business we are now finding out that with prices down, farmers are producing more. When prices went down on feed grains, farmers produced more.

The other economic analysis of the agricultural prices and production situation is that when and if the Government provides a price support on a commodity, if we wish to maintain reasonable production and not encourage surpluses, we must exercise some control over production through either acreage limitations, quotas, marketing quotas, or some form of control over the number of units that can be taken to the market under a price support program.

The Senator from Louisiana has supported that kind of philosophy, as have the Senator from South Carolina and the Senator from Minnesota. I have always stated, and will repeat, that if and when the Government of the United States establishes a price support program which provides a guaranteed return on a particular amount of production, the Government has a right to expect, and should obtain, some control over production. That statement applies to dairying, feed grains, wheat, cotton, rice, tobacco, or any other commodity. If the Government does not do so, whenever a commodity is in excess supply, the surplus will continue to

mount until the resources of the Commodity Credit Corporation are fully utilized.

Several times during my service in the Senate we have had to expand the capital stock of the Commodity Credit Corporation. I agree with the Senator from Louisiana that the way to prove that we are friends of the farmer and the farm program is not to have an open end on the Treasury or upon the resources of the Commodity Credit Corporation, but rather we must have a fair and reasonable price support program which would assure the farmer, if he works harder than most other people work, if he is willing to invest his capital, labor and managerial know-how, and if he is willing to accept some kind of controls over production, will have a fairly good living. That is the purpose of a price support program. Anyone who supports that program supports something that is helpful to the farmer. If he supports an open end program like the 1958 Feed Grain Act, which has been literally the albatross around the neck of the Government of the United States and the farmer himself, he does not help the farmer. What he does is to promote a growing mountain of Government-owned supplies that act as a depressant upon the free market every hour of the day. There is not a corn producer in America who knows what he will get for corn, because he does not know what will happen in terms of Government supplies being dumped on the market. Fortunately if we have a Secretary of Agriculture like Secretary Freeman, who is aware of the needs of the farmer, we have some protection as to stability in the market. But if we have a Secretary who does not care, who looks upon it as his major job to dump what is in the Commodity Credit Corporation, we could wreck not only every farm producer in out country, but many of the processors and many so-called middlemen.

I commend the Senator from Louisiana on his continued good fight for farm programs. It has not been an easy task. I can think of no more tedious and exhausting task than that.

I should like to ask the Senator the following question: Is the wheat program reported from the Committee on Agriculture and Forestry and now before the Senate the same program as the one the Senate passed last May?

Mr. ELLENDER. It is identical.

Mr. HUMPHREY. So the Senate has already expressed its approval of what we call the certificate plan?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. That plan has as its purpose the reduction of surpluses and the carrying charges of the Government upon such surpluses. Is that correct?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. Is it the view of the committee that the plan will accomplish such a result?

Mr. ELLENDER. Also, of course, to increase farm income.

Mr. HUMPHREY. The feed-grain program which the Senator has discussed in some detail, and yet in general terms, and which is being given some consideration at this time, is different from the one that was passed in the Senate last May. Is that correct?

Mr. ELLENDER. In my opening remarks I indicated that, so far as I was personally concerned, I would be very glad if the Senate would reenact the feed-grain provisions that were enacted in May.

I happen to be a realist, and I know because of absenteeism in the Senate, and being confronted by a House which is adamant on no controls for feed grains, we would have a difficult task to perform in trying to reenact the law. What I am suggesting in lieu of that is a continuation of the emergency feed-grain program for 1 year, coupled with the provision that we do away with the 1958 act insofar as it deals with corn. In other words, I want to do away with the law that provides that corn producers and producers of other feed grains can produce all they want of that commodity or other commodities even if we do not need them and get price supports at 90 percent of the average market price for the last 3 years, or 65 percent of parity, whichever is higher. That means $1.06 per bushel or perhaps $1.07 per bushel.

It strikes me that what we could do, as I said, would be to enact legislation of the kind which I have suggested and to come back in January, and try to get together with the producers and enact permanent legislation.

As far as I am concerned, let me say that I will oppose any extension of the emergency feed grain program unless at the end of the emergency program we have permanent legislation repealing the present law.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. In other words, the Senator is suggesting that for 1 more year the voluntary feed grain program be continued, but at the same time the proposal is advanced that there will be a repeal of the 1958 act, insofar as it provides mandatory support for feed grains.

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. The 1958 act is the weakness of this farm program. It is the one that has permitted unlimited production at the expense of the Government and of agriculture. It is one that will break the back of the cattle industry. One of these days, if we continue to produce unlimited quantities of feed grains, it will mean that ultimately it will be necessary to dump the feed grains. When they are dumped, it will depress the price of feed grains, which in turn will mean an increase in cattle production, and that in turn will result in a reduction in the price of meat. There are reports from one of the leading agricultural universities in America, Iowa State University, at Ames, Iowa, and from the University of Wisconsin, and from a land-grant college at the University of Minnesota which are of interest in this connection.

I remember when we had hearings throughout the country and we went into Minnesota and North Dakota and other places.

The testimony before the committee—I believe it was in 1955—was that unlimited supplies of feed grain which reduced the market price of feed grain ultimately resulted in increased production of pork and beef, which ultimately resulted in lower prices of pork and beef. Therefore, it is a vicious circle. The Senator has put his finger on it when he says that if we are to extend the emergency feed grain program for 1 year, we really will not be doing very much, even though it is much better than the present law.

Mr. ELLENDER. It will simply aggravate the situation.

Mr. HUMPHREY. It is necessary to extend the emergency feed grain program for 1 year plus repealing the 1958 act, which will require the next Congress to come back and come to grips with the task of overproduction of feed grains. I wish to assure the Senator I will be glad to work with him toward that objective. He knows I voted against the 1958 act. It was not easy to do so. I voted against that unlimited production program. The reason I did so was because of what I said on the floor then. I said it would result in millions more bushels of corn, that it would result in the Government of the United States spending billions of dollars for unneeded production. Every bit of that prediction came true, except I really did not quite realize to what extent it would take place. I therefore wish to assure the Senator of my support. I want it to be quite clear. I voted for the administration feed grain program. I still think it is the best program. If we have the votes, we ought to pass it.

Mr. ELLENDER. We would have, if more Senators were present when the amendments are called up. After all, it is an election year, and that may be difficult to do.

Mr. HUMPHREY. We must go to conference with the House, and in the House there is strong resistance to a compulsory feed grain program. Therefore, I believe the best we will be able to get is the solution which the Senator is proposing. I commend him for his willingness to take that step. I assure him of my support. I wish to assure the Senator there is plenty of evidence to show the temporary feed grain program has some support. I have been checking the record of the debates in May when we had the farm bill up before. As the Senator recalls, some Senators vigorously opposed the administration program and sought to enact the voluntary feed grain program. I wish to alert my colleagues in the Senate that when any Senator starts to attack the voluntary feed grain program, I am well stocked with quotations from Senators who were in favor of the voluntary program and who said there was no need for a compulsory program. I do not want to use up all my ammunition on the first day. However, as we say, I hold in my hand some of this evidence, and at the proper time I will use it.

I offered some amendments to the farm bill in May. They were not amendments which fundamentally affected the price support structure. One of them expressed the sense of Congress relating

to the economical administration of the Commodity Credit Corporation.

The other amendment provides that Congress reaffirms its longstanding policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the market price for producers and for the Commodity Credit Corporation.

Does the Senator make any reference to these amendments in the bill which is now before the Senate?

Mr. ELLENDER. No, I do not.

Mr. HUMPHREY. I shall offer these amendments.

Mr. ELLENDER. Personally I will have no objection to them.

Mr. HUMPHREY. They were passed unanimously by the Senate in May.

Mr. ELLENDER. In the same language?

Mr. HUMPHREY. Yes.

Mr. ELLENDER. I would prefer if the Senator waited until other amendments were offered. There are two others to be offered, one by the Senator from Arkansas [Mr. FULBRIGHT], and the other by the Senator from Michigan [Mr. HART], which pertains to cherries. There is no objection to those so far as I am concerned. I have no objection to the amendments being incorporated in the present bill.

Mr. HUMPHREY. I was wondering whether the Senator would mind my offering these two amendments. As I say, they are what I would call economic amendments, in that they express a philosophy.

Mr. ELLENDER. They may be offered, but I would like to get through with my presentation of the bill.

Mr. HUMPHREY. Then I shall wait.

Mr. ELLENDER. I thank the Senator from Minnesota for his kind remarks. I am very hopeful that we will not engage in exhaustive debate on the bill, because we already hashed it out for a whole week during May, and there are no new issues involved. I am sorry to say that I was more or less compelled to temper my views on the grain program.

Mr. President, a moment ago I placed in the RECORD table No. 1, indicating the results of the 1961 feed grain program. Now I wish to place in the RECORD a table with respect to the 1962 feed grain program. It shows the cost, production, and acreage signup. As I have pointed out, the corn payments aggregate $780 million; the sorghum grain payments, $152 million; the barley payments, $45 million. Administrative costs, $40 million; a total, for the 1962 feed grain program, of $1,107 million.

Next follows the production, and it shows a total decrease in corn, grain sorghum and barley production of 528 million bushels.

Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Facts—1962 feed grain program

Cost:	*In millions*
Corn payment	$780
Sorghum grain payments	152
Barley	45
Total	977
Administrative costs	40
Total costs	1,017
Production:	
Corn	*Million bushels*
1960	3,908
1962	[1] 3,518
Decrease	390
Sorghum grain:	
1960	620
1962	[2] 483
Decrease	137
Barley:	
1961	393
1962	[1] 392
Decrease	1
Total decrease corn, sorghum, barley production	528
Acreage signup:	*Thousand acres*
Corn	22,881
Sorghum grain	6,710
Barley	3,094

[1] Based on indications in July 1962.
[2] From July Feed Situation.

Mr. ELLENDER. Mr. President, I refer next to a similar table for wheat in the emergency program for 1962. Wheat payments amounted to $406 million; administration amounted to $15 million; a total of $421 million.

Wheat production was decreased only by an estimated 177 million bushels.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Facts—1962 wheat program

Cost:	*In millions*
Wheat payments	$406
Administration	15
Total	421
Production:	*Million bushels*
1961	1,235
1962	1,058
Decrease	177
	Thousand acres
Acreage signup: 1962	15,065

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing a comparison of Commodity Credit Corporation investment in feed grains, May 31, 1962, and May 31, 1961. The table shows the amounts of bushelage with respect to each separate commodity.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of CCC investment in feed grains, May 31, 1962, and May 31, 1961

QUALITY OF FEED GRAINS UNDER LOAN

[In bushels]

Commodity	1961	1962	Difference
Corn	750,020,939	918,043,147	+168,022,208
Barley	42,173,992	22,520,263	−19,653,729
Grain sorghum	24,309,198	21,117,109	−3,192,089
Oats	28,274,067	23,612,427	−4,661,640
Rye	2,143,547	904,516	−1,239,031
Total	846,921,743	986,197,462	+139,275,719

QUALITY OF FEED GRAINS IN CCC INVENTORY

Corn	1,348,729,498	746,302,082	−602,427,416
Barley	53,693,536	32,506,754	−21,186,782
Grain sorghum	712,273,646	709,744,541	−2,529,105
Oats	10,051,964	10,143,670	+91,706
Rye	4,059,353	3,677,652	−381,701
Total	2,128,807,997	1,502,374,699	−626,433,298
Total loan and inventory	2,975,729,740	2,488,572,161	−487,157,579

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the Commodity Credit Corporation investment in feed grain as of May 31, 1961, and May 31, 1962, showing the value of commodities.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Feed grain CCC investment as of May 31, 1961 and 1962

VALUE OF FIELD GRAINS UNDER LOAN

[In dollars]

Commodity	1961	1962	Difference
Corn	790,697,001	1,031,284,296	+240,587,295
Barley	32,785,019	18,540,370	−14,244,649
Grain sorghum	21,255,085	19,740,887	−1,514,198
Oats	13,719,457	12,079,426	−1,640,031
Rye	1,745,352	795,611	−949,741
Total	860,201,914	1,082,440,590	+222,238,676

VALUE OF FEED GRAINS IN CCC INVENTORY

Corn	1,841,170,264	884,189,151	−956,981,113
Barley	48,778,758	28,618,866	−20,159,892
Grain sorghum	773,616,585	767,044,171	−6,572,414
Oats	5,965,386	6,608,885	+643,499
Rye	4,228,904	3,670,047	−558,857
Total	2,673,759,897	1,690,131,120	−983,628,777
Total loan and inventory	3,533,961,811	2,772,571,710	−761,390,101

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparison of Commodity Credit Corporation investments in wheat on May 31, 1962, and May 31, 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of CCC investment in wheat, May 31, 1962, and May 31, 1961

BUSHELS

	1961	1962	Difference
Under loan wheat	97,077,266	66,164,602	−30,912,664
CCC inventory	1,276,830,359	1,165,467,437	−111,362,922
Total	1,373,907,625	1,231,632,039	−142,275,586

Comparison of CCC investment in wheat, May 31, 1962, and May 31, 1961—Continued

VALUE (IN DOLLARS)

	1961	1962	Difference
Loan	173, 915, 532	117, 689, 956	−56, 225, 576
Inventory	2, 560, 950, 003	2, 293, 560, 086	−267, 389, 917
Total	2, 734, 865, 535	2, 411, 250, 042	−323, 615, 493

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the production and the Commodity Credit Corporation holdings of corn from crops beginning in 1950 and extending through 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and CCC holdings of corn, 1950–61 crops

[All figures are in millions]

Crop year	Production (for grain)	CCC holdings at end of marketing year per crop [1]			Difference
		Inventory	Loans	Total	
1950	2,764.1	402.8	84.7	487.5	
1951	2,628.9	290.7	15.5	306.2	−181.3
1952	2,980.8	236.0	277.8	513.8	+207.6
1953	2,881.8	353.7	362.7	716.4	+202.6
1954	2,708.9	621.5	236.1	857.6	+141.2
1955	2,873.0	748.5	360.7	1,109.2	+251.6
1956	3,075.3	873.3	386.6	1,259.9	+150.7
1957	3,045.4	1,077.1	276.7	1,353.8	+93.9
1958	3,356.2	1,184.3	216.3	1,400.6	+46.8
1959	3,824.6	1,312.8	389.4	1,702.2	+301.6
1960	3,908.1	1,371.0	556.3	1,927.3	+225.1
1961 (feed grain program) [2]	3,624.3	746.3	918.0	1,664.3	−263.0

[1] Data shown are as of Sept. 30 of the calendar year following the year of the crop.
[2] As of May 31, 1962.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a similar table, showing the production and the Commodity Credit Corporation holdings of grain sorghums for crops beginning in 1950 and extending through 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and CCC holdings of grain sorghums, 1950–61 crops

[All figures are in millions]

Crop year	Production (for grain)	CCC holdings at end of marketing year per crop [1]			Difference
		Inventory	Loans	Total	
1950	233.5	17.2	1.5	18.7	
1951	162.9	.5	.6	1.1	−17.6
1952	90.7	.1	2.9	3.0	+1.9
1953	115.7	21.7	12.7	34.4	+31.4
1954	235.5	68.0	8.1	76.1	+41.7
1955	242.6	76.2	12.2	88.4	+12.3
1956	204.9	75.1	24.8	99.9	+11.5
1957	567.5	294.8	35.5	330.3	+230.4
1958	581.0	490.6	24.8	515.4	+185.1
1959	555.2	561.6	22.2	583.8	+68.4
1960	619.9	673.4	43.3	716.7	+132.9
1961 (feed grain program)[2]	482.6	709.7	21.1	730.8	+14.1

[1] Data shown are for Sept. 30 of the calendar year following the year of the crop.
[2] As of May 31, 1962.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table of production and Commodity Credit Corporation holdings of wheat beginning with the 1950 crop and extending through the 1961 crop.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and CCC holdings of wheat, 1960–61 crops

[All figures are in millions]

Crop year	Production (for grain)	CCC holdings at end of marketing year per crop [1]			Difference
		Inventory	Loans	Total	
1950	1,019.3	196.4	11.2	207.6	
1951	988.2	143.3	22.3	165.6	−42.0
1952	1,306.4	470.0	44.4	514.4	+348.8
1953	1,173.2	774.6	91.0	865.6	+351.[illegible]
1954	983.9	975.9	14.7	990.6	+125.0
1955	937.1	950.7	45.1	995.8	−5.2
1956	1,005.4	823.9	13.8	837.7	−158.1
1957	955.7	834.9	37.4	872.3	+34.6
1958	1,457.4	1,146.6	88.0	1,234.6	+362.3
1959	1,121.1	1,195.4	91.9	1,287.3	+52.7
1960	1,357.3	1,242.5	125.6	1,368.1	+80.8
1961 [2]	1,234.7	1,165.5	66.1	1,231.6	−136.5
1962	1,058.0				

[1] Data are for June 30, following year of crop.
[2] As of May 31, 1962.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the carryover stocks, at the beginning of the marketing years from 1950 through 1962, of corn, grain sorghum, oats, barley, and wheat. The amount, as indicated by the table, shows a gradual increase in the carryover stocks each year, with very few exceptions, in all the commodities. The table indicates that our carryover has been increasing very much from year to year. All this, as I stated in my principal speech, is very expensive for our Government.

There being no objection, the table was ordered to be printed in the RECORD. (See table at top of p. 16079, opposite.)

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the carryover of feed grains at the end of marketing years from 1952 through 1963. These figures are in tonnage, so that Senators may make a comparison between bushelage and tonnage. As I stated a while ago, there has been a steady increase in tonnage from one marketing year to another since 1952.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Carryover of feed grains at end of marketing year [1]

Year:	*Million tons*
1952	27.0
1953	31.7
1954	39.1
1955	43.3
1956	48.8
1957	59.0
1958	67.5
1959	74.6
1960	84.7
1961	73.0
1962 [2]	61.3
1963 [3]	[3] 49.6

[1] Total disappearance in 1961–62 averaged 12.7 million tons per month.
[2] Estimated based on same reduction as occurred during the 1961–62 marketing year.
[3] Based upon 1961–62 disappearance this would amount to 4.2 months supply.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table of analysis of program results from October 1933 through December 31, 1950, compared with the period October 1933 through December 31, 1961. The Senator from South Carolina [Mr. JOHNSTON] placed a portion of this table in the RECORD. The table indicates that all losses from price supports on various commodities from October, 1933, through December 31, 1961, aggregated $10,080,365,087.

The losses on feed grains, wheat, and dairy products as a percent of total losses from October 1933 through December, 1950, were 30 percent; and from October 1933 through December, 1961, 69.8 percent. This shows that those 3 commodities have accounted for 70 percent of the losses that have been sustained through Commodity Credit Corporation operations on price supports.

Carryover stocks at beginning of marketing year[1] 1950–62

[In million bushels]

	Corn	Grain sorghum	Oats	Barley	Wheat
1950	844	60	208	80	425
1951	740	38	286	94	400
1952	487	10	277	73	256
1953	769	7	249	51	606
1954	920	22	227	71	934
1955	1,035	75	303	131	1,036
1956	1,165	81	347	117	1,033
1957	1,419	79	240	127	909
1958	1,469	309	325	168	881
1959	1,524	510	368	195	1,295
1960	1,787	581	267	167	1,314
1961	2,008	702	325	153	1,412
1962[2]	1,650	700	276	122	1,345

[1] Corn and grain sorghums, Oct. 1; oats, barley, and wheat, July 1.
[2] Feed-grain program in effect in 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Analysis of program results (October 1933 through Dec. 31, 1950, compared to October 1933 through Dec. 31, 1961)

Commodities	October 1933 through Dec. 31, 1950	October 1933 through Dec. 31, 1961
Losses on price supports:		
1. Feed grains:		
Corn	$57,623,513	$2,188,789,461
Sorghum grain	30,925,680	598,404,386
Barley, oats, rye	5,688,432	310,014,705
Total, feed grains (loss)	94,237,625	3,097,208,552
2. Wheat (loss)	66,289,156	1,798,261,275
3. Cotton (gain)	236,109,614	1,014,375,662
4. Dairy products (loss)	74,540,226	2,150,212,263
5. Peanuts (loss)	71,161,680	210,123,673
6. Rice (loss)	1,143,611	191,638,752
7. Tobacco (gain)	5,502,440	6,705,397
8. Irish potatoes (loss)	431,219,849	478,582,600
9. Wool (loss)	92,253,987	440,601,979
10. Other commodities (loss)	183,469,548	692,654,934
Total price support (loss)	772,703,628	10,080,365,087
Losses on feed grains, wheat, and dairy products as a percent of total losses (percent)	30.4	69.8

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. While those commodities are stated as producing losses, there is inventory for a substantial amount of that. In a business firm, one's investment is shown as dollars; and if a part of the investment is in inventory, it is not called a loss. Is the Senator indicating that these are actual movements of commodities?

Mr. ELLENDER. Actual losses. In other words, when the Commodity Credit Corporation sells wheat abroad, either through Public Law 480 or for cash, a subsidy is paid. Of course, losses under the International Wheat Agreement are different from the support prices. The figures I have just given are the losses sustained by the Government since the inception of the program in October 1933 and continuing through December 31, 1961. All losses on price supports aggregated $10 billion-plus.

I point out also that the losses on feed grains and wheat as a percentage of the total losses between October 1933 and December 1950 accounted for only 20.7 percent; but from October 1933 through 1961, they accounted for 48.5 percent, thus showing the huge losses sustained by these two programs. This is a situation we are trying to correct, in contrast with the rest of the programs put together. Of course, the total includes the losses sustained in the potato fiasco.

Mr. PROXMIRE. Mr. President, on that point would the Senator give us the ratio of cost to the value of marketings in these programs? After all, if wheat, feed grains, and dairy products were included, we would come close to 75 or 80 percent of all the programs under price supports. So if there is a loss of 70 percent or less that might be a very good showing. These commodities have shown better results than some of the others.

Mr. ELLENDER. According to the figures I am placing in the RECORD, the feed grains—that is, corn, sorghum grains, barley, oats, and rye—account for a total loss to the Government, through price supports, of $3,097 million-plus.

Mr. CURTIS. Over how long a period of time?

Mr. ELLENDER. From the inception of the program through December 31, 1961.

Mr. HUMPHREY. Eighteen years.

Mr. ELLENDER. The loss on wheat, exclusive of the wheat agreement, was $1,798 million.

The loss on cotton was $1 billion.

The loss on dairy products was $2,150 million.

The loss on peanuts was $210 million.

The loss on rice was $191 million.

The loss on tobacco was $6,750,000.

The loss on Irish potatoes was $478 million.

The loss on wool was $440 million.

The loss on other commodities—small commodities, such as honey—was $692 million.

The total loss on the price-support programs alone of $10,080,365,087.

In a moment I shall place in the RECORD a tabulation of further losses on the International Wheat Agreement. As I remember the figures, we have lost about $1,254 million on it up to the present time.

Mr. PROXMIRE. All these figures are very useful; but I think we must recognize that those losses should be related to the value of the products being marketed. The programs for wheat, feed grains, and dairy production include a large proportion of all the programs under price supports; and it is like saying that the people of New York got from the Federal Government 20 or 30 times the benefits that the people of Nevada received. Are receiving 20 or 30 times more than they deserve. We must recognize that there are fewer people in Nevada. A much smaller amount is involved in the programs for rice, and so forth, as compared with the amounts involved in the programs for major agricultural commodities of the country.

Mr. ELLENDER. I am submitting the figures; and the Senator from Wisconsin, being a fine economist, can use them as he desires.

Mr. PROXMIRE. I thank the Senator from Louisiana. I wish to apologize for delaying him.

Mr. ELLENDER. I am only trying to show the actual losses sustained through the price-support program, as well as other losses to which I shall call attention in a moment.

Mr. PROXMIRE. The Senator from Louisiana mentioned a letter received from Secretary Freeman; I refer to the letter about the really serious shortage of storage space for butter and the serious overproduction of butter, which might result in drastic and perhaps unwise action by our Federal Government.

Mr. ELLENDER. I did not say that.

Mr. PROXMIRE. But I say it; and I am deeply concerned about it. I raise this point because I think as Members of Congress we should be prepared to take emergency action before we adjourn, because before January the storage space for butter might be exhausted. Then what would happen? Would there then be wholesale destruction of the butter supplies? In that case there would be a serious national scandal.

I wonder whether the Senator from Louisiana has considered the advisability of enacting emergency legislation at this time.

Mr. ELLENDER. If the butter cannot be given away, why store it? But, to my surprise, I find that the Secretary of Agriculture is trying to convert butter into butter oil, because butter oil can be conserved without being stored in freezer space. Whenever steps of that kind are taken, it seems to me they should serve as a fire alarm to us, warning us to take notice of the situation. So I hope the dairy producers will look into this matter now, because if they do not, Congress will have to take action come January.

Mr. PROXMIRE. I could not agree more with the Senator from Louisiana. But in the meantime we may run out of butter storage.

Mr. ELLENDER. What does the Senator from Wisconsin propose?

Mr. PROXMIRE. I think we should ask the administration what proposals for solving this problem it has, because I can imagine what would happen to the dairy industry in various parts of the country if we ran out of butter storage in the meantime and if Congress had

not taken action. Perhaps the administration has a program which we can adopt.

Mr. ELLENDER. Well, the Senator from Wisconsin knows that I did the best I could.

Mr. PROXMIRE. The Senator from Louisiana did, indeed.

Mr. ELLENDER. I did the best I could to try to get the milk people to get together and to try to formulate some program. But the answer was, "We are satisfied with 75 to 90 percent of parity, and we do not want any change in the law."

So I do not know what else to do, except, as I have said, to point out that the milk producers should take this as a fair warning that unless they put their own house in order, Congress will have to act in some way. We cannot afford to keep on piling up any of these commodities that we do not need. But, as I pointed out on Friday, we are accumulating so much butter and so much of the other dairy products that we are running out of storage facilities for them. That does not make sense.

Mr. PROXMIRE. Those of us who come from dairy-product-producing States recognize that butter is different from any other dairy commodity; and we would be very much interested—at least, I would—in considering the possibility of changing the law so as to have a different price support for butter in relation to milk price supports. I realize that this would be a very complicated and very difficult matter to work out. But in view of the situation the Senator from Louisiana has described, I believe we should give consideration to it. A number of Senators think it possible to work out a system to market butter at a lower price. Today, butter is not as competitive as it should be with oleomargarine and some of the other competitive spreads. It seems to me that could be considered without reviewing the entire dairy program and all its aspects.

Mr. ELLENDER. As I have said, when we asked the dairy people, they replied, "We are satisfied with the present law." But the present law provides Government supports, with no limit on production. Of course, I have tried to stop that. But, somehow, we have not been successful.

Mr. President, I now turn to table 12, which shows storage and other carrying charges from the fiscal year 1933 through 1962. The total amount spent by the Government for all carrying charges has been $9,351,600,000. That is the amount of money the Government has spent for storage purposes. As I have said, I am placing all this information in the RECORD, so as to indicate to Senators the necessity for passing some kind of remedial legislation now, instead of allowing these programs to continue to pile up the surpluses, as has been the case in the past.

Mr. President, I submit this table, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 12.—*Storage and other carrying charges, fiscal 1933 through 1962* [1]

[Million dollars]

Period, fiscal years	Storage and handling	Transportation	Interest charge	Reseal storage	Total
1933–50	[2] 847.3	.....	144.8	.....	992.1
1951–56	1,254.3	599.5	449.6	44.7	2,348.1
1957–62 [3]	2,780.1	934.7	2,012.2	284.4	6,011.4
Total	4,881.7	1,534.2	2,606.6	329.1	9,351.6

[1] Interest charges not included in CCC price support losses.
[2] Includes transportation.
[3] Estimates for 1962.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point table No. 13, which shows the value of commodities programed under Public Law 480 from July 1, 1954, when the bill was enacted, through December 31, 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of commodities programed under Public Law 480, from July 1, 1954, through Dec. 31, 1961

[In millions of dollars]

Commodity	Title I, sales for foreign currencies	Title II, donations	Title III		Total
			Sec. 416,[1] donations	Barter [2]	
Wheat and flour	3,816.1	[3] 497.6	494.1	.....	4,807.8
Feed grains	415.6	141.3	[4] 152.5	.....	709.4
Rice	409.1	53.4	157.5	.....	620.2
Cotton	926.6	18.7	.....	.....	945.3
Tobacco	241.4	.....	.....	.....	241.4
Dairy products	59.6	75.9	[5] 1,505.8	.....	1,641.3
Fats and oils	806.7	33.4	38.2	.....	878.3
Other	65.5	4.2	29.2	.....	98.9
Total	6,740.6	824.5	2,377.5	.....	9,942.6
Wheat, feed grains, dairy products as a percent of total	(63.6)	(86.6)	(90.5)	.....	(71.9)
Ocean transportation, all commodities	851.7	[6] 219.0	.....	.....	1,070.7
Difference between total value and CCC cost, all commodities	3,280.4	.....	.....	.....	3,280.4
Total	10,872.7	1,043.5	2,377.5	1,432.0	15,725.7

[1] Includes domestic and foreign.
[2] No breakdown by commodity.
[3] May include some rye.
[4] Includes $138.8 million worth of cornmeal.
[5] Includes $107.4 million worth of butter oil.
[6] Includes $150.7 million for ocean freight for title III donations.

Source: 15th semiannual report on Public Law 480.

Mr. ELLENDER. The total amount of sales for foreign currencies was $6,740 million. The total cost of all titles of the program for all commodities was $9,942 million.

Of course, I realize we have on hand today a great amount of soft currency, so much so that we do not know what to do with it. There should be a limitation to the sales of these surpluses for soft currencies.

I am glad to say there is in the law a provision which would permit our Government, through the Commodity Credit Corporation, to sell some of these commodities to underdeveloped countries and to sell them through the private trade under long-term credit. I believe that would alleviate the situation quite a bit. In that provision, we state that, instead of having the host government act to sell the commodities, we sell them to the private trade, on the condition that the private trade use the money in helping to develop the economies of underdeveloped countries. I think it is better to do it in that way than the way in which it has been done in the past, where the Government took hold of the money and spent it for almost any purpose it wanted to.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I would like to revert for a moment to the question of storage costs. I wonder if the chairman of the committee has ever received any explanation from the Secretary of Agriculture as to why a commercial elevator is allowed a 3-percent tolerance for shrinkage, whereas a farmer storing for the Government is given no tolerance at all? In other words, let me put it this way: If a commercial outfit stores 100 bushels of grain, it is paid so much for storing the hundred bushels; but it has to return only 97 bushels to the Federal Government. In other words, it gets a shrinkage allowance. However, if a farmer stores 100 bushels of grain for the Government, he is required to return the full 100 bushels to the Government. Has the Senator had any explanation of that discrepancy?

Mr. ELLENDER. No, but I will find out and give the explanation to the Senator.

Mr. AIKEN. It is quite important.

Mr. ELLENDER. It may be a custom that was created.

Mr. AIKEN. I think it is. The shrinkage allowance is supposed to go to the one doing the storing. For instance, if the storage charge is 18 cents a bushel, there might be a shrinkage allowance of 3 percent for everyone.

Mr. ELLENDER. This custom may have grown up in years gone by.

Mr. AIKEN. No; it is occurring this year.

Mr. ELLENDER. Yes, but it grew up in years gone by.

Mr. AIKEN. It probably occurred in the 1938 program, because in those days if someone bid 6 cents a bushel for storage, the Government said, "That is not enough to build up the economy," and insisted on an 8-cent-a-bushel minimum charge.

Mr. ELLENDER. I wish to say that the table to which I have referred in regard to storage has in it the figures for the actual cost of the storage, also transportation, interest charge, and so forth. As I said, all of that together aggregates a cost of $9,351 million.

Mr. AIKEN. I do not think we should consider that all a loss, however, because most of the companies that have been storing have been companies that are in the 52-percent tax bracket, and if they had not been evading taxes, they should have returned a good percentage of that money to the Federal Treasury

Mr. ELLENDER. The table which I just asked be placed in the RECORD referred to the value of commodities programed under Public Law 480 from July 1, 1954, to December 31, 1961. Here again I wish to say that the wheat, feed grains, dairy products, as a percentage of the total under title 3 of Public Law 480, amounted to 63.6; under title 2, which is donations, 86.6 percent; and total donations under section 416, 90.5 percent; for a total of 71.9 percent of the total.

Ocean transportation on all commodities aggregated in excess of $1 billion.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. In reference to the figures the Senator has referred to and the cost of Public Law 480, were those figures for the life of the act?

Mr. ELLENDER. Yes.

Mr. CURTIS. They were not annual figures?

Mr. ELLENDER. No; they were total figures.

Mr. CURTIS. In recent days the Secretary of Agriculture has appeared before the Committee on Finance in reference to the trade expansion program. He has pointed out that we assist exports by paying the shipping costs. We have an export subsidy on wheat, rice, and cotton. All of that is for the regular exports. Then, if the commodities are sold under Public Law 480, we take payment in soft currencies, and leave most of the currencies abroad. I asked for the total annual figure of the cost of the exports. He placed it at $1.9 billion. Our total exports of agricultural products last year ran a little over $5 billion.

Mr. ELLENDER. Five billion dollars.

Mr. CURTIS. About 40 percent of that was subsidies, one way or another.

Mr. ELLENDER. Under Public Law 480.

Mr. CURTIS. The export subsidies on the shipping costs are in addition to Public Law 480.

Mr. ELLENDER. Yes.

Mr. CURTIS. Do the tables in relation to feed grain surpluses reflect entirely the increase in production, or what has happened in recent years on the level of consumption by both animals and humans?

Mr. ELLENDER. I am coming to that in a moment, to show the utilization.

Mr. CURTIS. I am talking about domestic consumption.

Mr. ELLENDER. The production and utilization of corn by crop years are as follows: 1950–51 production, 2,764 million bushels. Utilization was 2,869 million bushels. There was a minus of 105 million bushels that we had to take from our surpluses and carryover.

In 1951–52 we were short 253 million bushels.

But beginning in 1952–53, and on down, we gradually increased the production of corn over and above our requirements.

We started that in 1952–53, when we produced 283 million bushels more than we consumed.

In 1953–54 we produced 150 million bushels more than we consumed.

In 1954–55 we produced 114,556,000 bushels more than we consumed. In 1956–57, 253 million bushels more. That is corn only, and does not include grain sorghums.

Mr. CURTIS. Let us consider corn. What was the consumption figure for the last year the Senator has the figure?

Mr. ELLENDER. The last year is 1960–61. That is 3,688 million bushels.

Mr. CURTIS. How would that compare with 5 years prior or 10 years prior?

Mr. ELLENDER. For 1955 it was 2,744 million bushels.

Mr. CURTIS. It has gone up.

Mr. ELLENDER. Yes.

Mr. CURTIS. But not as fast as the production.

Mr. ELLENDER. Not as fast as the production by any means. That is why there has been the accumulation.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I think the latest figures from the Department indicate that for 1961 consumption was 3,983 million bushels.

Mr. ELLENDER. Was that production?

Mr. AIKEN. That is utilization. Tentative figures were given out, and I think they were corrected.

Mr. ELLENDER. That is the current figure.

Mr. AIKEN. For 1961; 3,983 million bushels utilization, 3,624 million bushels production.

Mr. ELLENDER. I was looking at the wrong figure.

Mr. AIKEN. Consumption exceeded production by some 350 million bushels.

Mr. ELLENDER. That was because of the emergency program. We have the emergency program, which cut back the feed grains some 280 million bushels or so. The result for corn and grain sorghums was a decrease of about 421 million bushels. That was due to the emergency program, which I pointed out a whole ago cost in the neighborhood of $800 million.

Mr. CURTIS. Consumption of wheat did not go up, in spite of the increase in population, but remained about the same.

Mr. ELLENDER. I think the domestic consumption of wheat has been on a decrease, on a per capita basis.

Mr. CURTIS. The definition with respect to per capita consumption used in the tables includes exports?

Mr. ELLENDER. Yes. All uses are included.

Mr. CURTIS. I thank the Senator.

Mr. ELLENDER. Mr. President, the next table is table 14. It relates to the International Wheat Agreement. The figures are given for fiscal years 1950 through 1962. The cost has been $1-254,068,088. That is over and above the price supports I indicated a while ago, in relation to wheat.

Mr. CURTIS. Would the Senator explain how that cost or loss took place?

Mr. ELLENDER. We enter into a wheat agreement under which we agree to sell wheat at a certain level, not less than and not more than certain figures. We usually suffer a loss ranging from 45 to 70 cents a bushel. That is what has happened. Under the wheat agreement we have sold wheat in an amount between 150 and 250 million bushels.

Mr. CURTIS. In other words, to carry out our agreement to keep the world price stable the Treasury has to provide a cushion?

Mr. ELLENDER. The same thing as is done on exports.

Mr. CURTIS. It is quite similar.

Mr. ELLENDER. In any event, in 1950, 135 million bushels-plus were sold under the agreement. The loss was $75 million plus.

In 1951, 265 million bushels-plus were sold, and the loss was $180 million plus.

In 1952, 254 million bushels-plus were sold, and the loss was $171 million plus.

I shall put into the RECORD the table showing the year, the quantity sold under the wheat agreement, and the losses sustained. As I have stated, the entire cost, including the estimate for 1962, is shown to be $1,254,068,088. We could add that to the losses sustained on price supports for wheat, and that would show a total of well over $3 billion.

Mr. President, I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

International Wheat Agreement

Fiscal year	Quantity (bushels)	Net costs
1950	135, 186, 750	$75, 802, 450
1951	265, 778, 793	180, 145, 501
1952	254, 787, 626	171, 312, 221
1953	223, 703, 898	130, 786, 401
1954	118, 025, 100	58, 974, 072
1955	131, 567, 381	99, 718, 111
1956	123, 350, 130	92, 313, 014
1957	106, 633, 012	90, 071, 366
1958	105, 703, 391	82, 417, 062
1959	83, 518, 285	48, 303, 169
1960	103, 927, 558	66, 301, 557
1961	130, 026, 018	71, 530, 994
1962[1]	135, 000, 000	80, 331, 000
Total		1, 254, 068, 088

[1] Estimated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Is it not a fact that in the fall of 1961 the President announced an increase in the support price of wheat, ranging from 20 to 44 cents a bushel, depending upon the variety? Of course, that made it necessary to pay much higher export subsidies.

Mr. ELLENDER. That is true, but that was done to provide a level of income for the farmers, comparable to what they had the year before; in other words, not to decrease their income.

Mr. AIKEN. It was raised from about $1.79 up to $2 on the average.

Mr. ELLENDER. That is correct.

Mr. AIKEN. That naturally made a difference of probably $100 million or $200 million.

Mr. ELLENDER. Perhaps, but under the International Wheat Agreement in 1961, there were sales of 130 million bushels plus, and the loss was $71,530,664. In 1962, the estimate is that there will be 135 million bushels sold, and that the loss will be $86,331,000. The difference is not very much.

Mr. AIKEN. The bonus payment for the production of wheat accrued to a few States, and not to the wheat States generally, as I understand it.

Mr. ELLENDER. Mr. President, next I wish to present a table to indicate the costs of the conservation reserve program. Table 15 relates to the total conservation reserve program costs. It shows a total cost of $2,663,431,864. I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total conservation reserve program costs

Fiscal year	Payments	Administrative expenses
Actual:		
1956		$156,482
1957	$18,547,355	11,211,510
1958	94,925,095	15,670,541
1959	141,888,534	16,153,220
1960	306,135,728	18,428,236
1961	350,574,224	12,350,895
Estimated:		
1962	$333,925,328	$12,500,000
1963	312,696,000	10,304,000
1964	299,078,000	
1965	203,417,000	
1966	157,384,000	
1967	152,110,000	
1968	131,867,000	
1969	117,030,000	
1970	43,095,000	
1971	750,000	
1972	8,600	
Total	2,663,431,864	96,774,884

Mr. ELLENDER. Mr. President, table 16 relates to the soil bank program. Figures are given for cotton, for rice, for tobacco, for corn and for wheat. The grand total on the acreage reserve program is $1,569,638,226. I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Soil bank—Acreage reserve program

	1956	1957	1958
Cotton (upland):			
Total acres in soil bank	1,121,151	3,015,630	4,925,957
Funds obligated for cost of acreage reserve	$27,336,091	$153,296,122	$270,207,669
Average cost per acre	$24.38	$50.83	$54.85
Rice:			
Total acres in soil bank	28,162	242,017	174,198
Funds obligated for cost of acreage reserve	$1,394,294	$15,466,625	$11,941,731
Average cost per acre	$49.51	$63.91	$68.55
All tobacco:			
Total acres in soil bank	32,502	79,701	110,618
Funds obligated for cost of acreage reserve	$6,633,018	$17,806,424	$26,516,210
Average cost per acre	$204.08	$223.42	$239.71
Corn (commercial area only):			
Total acres in soil bank	5,315,578	5,233,478	6,658,093
Funds obligated for cost of acreage reserve	$179,664,064	$196,417,873	$282,255,190
Average cost per acre	$33.80	$37.53	$42.39
All wheat (commercial area only):			
Total acres in soil bank	5,670,441	12,783,192	5,289,477
Funds obligated for cost of acreage reserve	$44,739,889	$230,851,526	$105,111,500
Average cost per acre	$7.89	$18.06	$19.87
Total	$259,767,356	$613,838,570	$696,032,300
Grand total		$1,569,638,226	

Mr. ELLENDER. Mr. President, table 17 shows "Production and Utilization of Wheat by Crop Year, 1950–61." I discussed that problem a moment ago. I ask unanimous consent that the table may be incorporated in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and utilization of wheat by crop year, 1950–61

[Million bushels]

Year	Production	Utilization	Difference
1950	1,019	1,044	−25
1951	988	1,132	−144
1952	1,306	956	+350
1953	1,173	845	+328
1954	984	882	+102
1955	937	940	−3
1956	1,005	1,129	−124
1957	956	984	−28
1958	1,457	1,043	+414
1959	1,121	1,103	+18
1960	1,357	1,259	+98
1961	1,235	1,307	−72
1962 (special wheat program)	1,058		

Mr. ELLENDER. Mr. President, table 18 shows "Production and Utilization of Corn by Crop Year, 1950–61." I discussed that a while ago, and I ask unanimous consent that the table may be incorporated in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and utilization of corn by crop year, 1950–61

[Million bushels]

Year	Production	Utilization	Difference
1950–51	2,764	2,869	−105
1951–52	2,629	2,882	−253
1952–53	2,981	2,698	+283
1953–54	2,882	2,732	+150
1954–55	2,708	2,594	+114
1955–56	2,873	2,744	+129
1956–57	3,075	2,822	+253
1957–58	3,045	2,997	+48
1958–59	3,356	3,302	+54
1959–60	3,825	3,563	+262
1960–61	3,908	3,688	+220
1961–62 (feed grain program)	3,624	3,983	−359
1962–63 (feed grain program)	3,518		

Mr. ELLENDER. Mr. President, table 19 shows "Production and Utilization of Grain Sorghums by Crop Year, 1950–61." I ask unanimous consent that that table may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and utilization of grain sorghums by crop year, 1950–61

[Million bushels]

Year	Production	Utilization	Difference
1950–51	234	255	−20
1951–52	163	191	−28
1952–53	91	93	−2
1953–54	116	101	+15
1954–55	236	183	+53
1955–56	243	237	+6
1956–57	205	207	−2
1957–58	568	338	+230
1958–59	581	380	+201
1959–60	555	484	+71
1960–61	620	499	+121
1961–62 (feed grain program)	483	485	−2

Mr. ELLENDER. Mr. President, I point out that since hybrid sorghum has been developed, production has increased by leaps and bounds. As a matter of fact, production in 1960–61 was 620 million bushels, compared to an annual production of only 234 million bushels 10 years ago.

Mr. President, table 20 shows "Production and Utilization of Barley by Crop year, 1950–61." The figures are very interesting. They indicate some increases in some years with decreases in other years. The production of that commodity has been on an increase, but not as great as has been the case with

respect to grain sorghums and corn. I ask unanimous consent that the table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and utilization of barley by crop year, 1950–61

[Million bushels]

Year	Production	Utilization	Difference
1950–51	304	291	+13
1951–52	257	275	−18
1952–53	228	265	−37
1953–54	247	343	−96
1954–55	379	344	+35
1955–56	403	445	−42
1956–57	377	394	−17
1957–58	443	425	+18
1958–59	477	464	+13
1959–60	422	469	−47
1960–61	431	460	−29
1961–62	393	444	−51
1962–63	392		

Mr. ELLENDER. Mr. President, the last table that I have, No. 21, relates to "Production and Utilization of Oats by Crop year, 1950–61." I ask unanimous consent that the table may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and utilization of oats by crop year, 1950–61

[Million bushels]

Year	Production	Utilization	Difference
1950–51	1,369	1,318	+51
1951–52	1,278	1,349	−71
1952–53	1,217	1,315	−98
1953–54	1,153	1,260	−107
1954–55	1,410	1,354	+56
1955–56	1,496	1,455	+41
1956–57	1,151	1,275	−124
1957–58	1,290	1,231	+59
1958–59	1,401	1,362	+39
1959–60	1,052	1,153	−101
1960–61	1,155	1,098	+57
1961–62	1,013	1,063	−50
1962–63	997		

Mr. ELLENDER. Mr. President, I express the hope that Senators who are interested in the program will study closely those tables, and observe that $1 billion has been charged off by our Government.

These programs have been established in good faith in the hope that there would be some improvement in our farm situation. I voted reluctantly for the soil bank program. As I indicated, that program cost us in excess of $2 billion. The acreage reserve program, that is, the soil bank, cost far more than $1.5 billion. And yet today we are confronted with more and more production.

As I have said, I hope that Senators will not argue on the bill too long. There is no necessity for us to spend another week considering the bill. I think the issues are very clear. I express the hope that the wheat provision of the bill, as presented by the committee, will be adopted. That will be a step in the right direction. We will at least correct the evils of another commodity.

As I have pointed out in the past, we have taken action with respect to cotton and rice. Although the production of those two commodities is in line with the requirements, I admit that still it is costly. I wish we could do something to decrease the program cost of even those commodities. But the Secretary of Agriculture has the tools available to him with which further to decrease the price supports of those commodities if he chooses to do so. All I am asking is that the same thing be done with respect to corn and other feed grains.

I repeat what I have said on many other occasions. It does not make sense for us to promote the production of commodities that we do not need, particularly when it is so costly to do so, and at a time when we are trying to find ways and means to reduce expenditures of the Federal Government. It strikes me that if a realistic approach were made to the pending measure and the proposals I have made in an effort to reenact the feed grain section or title that the Senate agreed to in May, it would go far toward correcting the evils that exist in that program. But, I repeat, I am bowing to what some of my friends have been telling me, that we would have a hard time persuading the House to adopt that program. So let us try to adopt an alternative. The alternative that I propose to the Senate would merely extend for another year the emergency program on the production of corn and other feed grains, and repeal the 1958 law as it affects corn. That would permit the production of corn and other feed grains in limited quantities at a fixed price support.

As chairman of the committee, I promise that next January I will get on the job again and try to do all I can in order to make possible the adoption of a realistic program affecting corn and other feed grains, as well as dairy production.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. The distinguished Senator from Louisiana has been very diligent, not only this year, but throughout the years, in going into questions of agriculture. He is always very courteous to other Senators. I thank him for it.

Does the Senator have a figure or an estimate of what the net annual cost to the Government is to support agriculture?

Let me explain what I mean by "net cost." Many confusing statements are issued. We appropriate money for the REA. It is loaned and is ultimately paid back. The loaning of that money is counted as an expenditure, and when it comes back it is counted as a receipt. I am not advocating the so-called dual budget. Also sometimes in listing expenditures under support loans, there is listed as an expenditure the entire amount of loan to the farmer to support the prices of commodities, while the actual net loss or cost to the Government is not shown. Does the Senator have an estimate of what is being spent to support agriculture, from the standpoint of net cost?

Mr. ELLENDER. Does the Senator mean our support program, our subsidies abroad, and also——

Mr. CURTIS. I mean everything, from our assistance to foreign countries to extension work. How much do we spend on agriculture?

Mr. ELLENDER. If the Senator includes all of that, I do not have the figures available. But according to the budget estimates, our program in agriculture would normally cost, with all price supports that I have been arguing about today, in the neighborhood of $2 billion.

Mr. CURTIS. $2 billion a year?

Mr. ELLENDER. Just about. The total price support program for 1961, including all sales, and the amounts given under various programs, was $2,307,426,492.

Mr. CURTIS. That is the net figure?

Mr. ELLENDER. Yes. The other programs, such as soil conservation——

Mr. CURTIS. The soil bank?

Mr. ELLENDER. The soil bank is not included in that figure. As I pointed out, that pertains to the total price support programs. As I pointed out a while ago also, we entered into the soil bank program in the hope that we could take enough land out of cultivation so that we could save the Government money in storage.

Mr. CURTIS. I raised some questions about that program at the time it was considered, as I believe the Senator from Louisiana did also.

Mr. ELLENDER. I did, too. But I was willing to make a try at it, as the Senator probably was, too. As I pointed out, the soil bank program cost in excess of $2 billion. Those are costs that were actually lost by paying the farmers not to plant.

If we had not had the soil bank program, the chances are that the increases in surpluses of wheat, corn, and other crops might have been greater than what they are now and would have cost a good deal more than the present program.

Mr. CURTIS. What I am asking for, I do not expect at this time. I merely make the suggestion that somewhere along the line either the staff of the Committee on Agriculture and Forestry or possibly the staff of the subcommittee of the Committee on Appropriations that handles the appropriation should make an analysis of the net cost of what we are spending on agriculture.

I believe it would be helpful to the Senate to be able to look at such a figure, rather than continually to be engaged in patchwork and a piecemeal attack on the problem, and I feel it would be helpful to look at the whole picture, to see what someone may be able to bring up to put the whole operation on a basis that would be much less costly.

Mr. ELLENDER. Well, I should like to say to the Senator that I believe the figures are available, and that they could be obtained very readily.

Mr. CURTIS. It could be done.

Mr. ELLENDER. Without question, it is a matter of adding them up, I suppose.

Mr. CURTIS. I thank the Senator. I am sure there is a great deal of information available.

Mr. ELLENDER. However, I might point out what I have already stated on

many occasions, particularly when former Secretary of Agriculture Benson came before our committee prior to becoming Secretary of Agriculture. He indicated a loss to the Government in excess of $15 billion. What he took into consideration was REA and many other programs that paid back to the Government. He even had the soil conservation program included. We proceeded to get the figures, to show the cost of the support price program, which was the subject at issue at the time.

Mr. CURTIS. I am talking about the whole program of agriculture—exports, and support price, and soil bank, and the whole thing.

Mr. ELLENDER. If the Senator will look over the tables he will get the answer to practically all his questions.

Mr. CURTIS. I am sure it will be helpful. I thank the Senator.

Mr. ELLENDER. Unless the Senator wishes to ask further questions, I yield the floor.

Mr. CARLSON. I shall speak briefly, Mr. President, on this subject. The distinguished Senator from Louisiana [Mr. ELLENDER], as chairman of the Committee on Agriculture and Forestry, has certainly demonstrated not only his knowledge but also his great interest in agriculture. I appreciate very much the statement he has made this afternoon on the floor of the Senate. I also appreciate the fact that he is suggesting that we have a voluntary continuation of the present program for feed grains and wheat for 1 more year on a voluntary basis.

I wish to discuss the voluntary feed grain program. As the chairman has stated, he realizes the difficulty of securing approval of a mandatory feed grain program. I am opposed to it. I do not believe we need a mandatory feed grain control program at this time. After 1 year's further study of the program and its operation, we may decide that we do not need it at all. Therefore, a 1 year program will be helpful. According to Prof. Francis A. Kutish of Iowa State University:

> For the first time in 9 years, feed grain utilization in 1961–62 will exceed feed grain production.

FEED GRAIN STOCKS TO FALL 28 PERCENT

Mr. President, the July "Feed Situation" just issued by the Department of Agriculture reports that carryover stocks of feed grains will drop by 12 million tons, the equivalent of 425 million bushels of corn, by the close of this marketing year, September 30. Domestic feed grain utilization and exports are both setting new records. Total feed grain disappearance this year will be greater than production in any year except 1960. And further modest increases in utilization are expected next year because of our large livestock population and our current high rate of grain feeding.

Based on July crop production prospects, total utilization in the coming feeding year, 1962–63, may exceed production as much as in the current year. This would result in a further reduction of 12 million tons or 425 million bushels of corn—a total reduction of 28 percent in carryover stocks in 2 years.

Mr. President, this is indeed a happy prospect. The feed grain growing weather in 1961 was the most favorable on record leading to a 13-percent increase in corn yields per acre over 1960, offsetting much of the acreage reduction achieved by the voluntary feed grains program. After the bumper 1961 yields to feed grains were harvested, however, the Department of Agriculture estimated total disappearance would exceed production by 7 million tons and carryover at the end of the year would be reduced by that amount. In May they found utilization was running so high that carryover stocks would be reduced by 10 million tons or 360 million bushels of corn. And now in July they have again revised their estimates indicating the carryover will drop by the 12 million tons mentioned earlier.

THE 1962 VOLUNTARY PROGRAM RESULTS REASSURING

Probably all of my colleagues in the Senate have been concerned, as I have been, that the effectiveness of a voluntary program would decline because of a drop in participation and as a result of increased plantings by nonparticipants. It is reassuring that participation in the voluntary feed grains program in 1962, contrary to expectations, is higher than it was in 1961. And the Government report just issued states:

> Farmers planted about 5 million acres less feed grains this year than last, bringing total feed grain acreage down to the lowest level in more than 60 years.

This statement indicates that increased plantings on the part of nonparticipants have not offset the acreage adjustments made by the participants. Studies also have been completed which indicate that the cooperators in the 1961 program did not apply more fertilizer on their reduced acreages.

Mr. President, I have the highest regard for the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. I know he has studied the problems of American farmers for many years. It is my understanding that when the farm bill comes before the Senate in the next few days he plans to move that mandatory feed grain controls be again substituted for that section of the committee bill which provides for a continuation of the current successful voluntary program. In view of the facts just reviewed I believe it would be a mistake for the Senate to take such action.

It now appears that carryover stocks of feed grains will be reduced from 84.7 million tons last fall to 61 million tons as a result of 2 years of the voluntary program. This reduction will be achieved in spite of the best feed grain growing weather on record in 1961 and 1962. Feed grain utilization will have reached a level in 1962–63 higher than the production in any single year on record. Even though the weather continues to be unusually favorable, a third year of the voluntary program may reduce carryover stocks to less than 50 million tons or a third of a year's supply. There is substantial agreement that carryover stocks of 35 to 50 million tons should be maintained as a national reserve against emergencies. Needed further reductions in stock after a third year of a voluntary program should be very small or none at all.

The distinguished chairman of the Committee on Agriculture and Forestry urges the adoption of a mandatory feed grains program in order to reduce Government costs. In view of this latest information, however, a much smaller adjustment will be needed in feed grain acreages after 1963, for then carryover stocks will approximate desirable levels. Hence Government costs can be reduced substantially under a voluntary program.

Mr. President, there is another important consideration. Weather investigations carried on by Iowa State University indicate that unusually favorable weather has contributed substantially to the high-corn and grain-sorghum yields in each of the years since 1957. This unusually favorable weather will not continue indefinitely.

In my own State of Kansas in the past 15 years the production of corn has varied from 32 to 90 million bushels and the production of sorghum grains has varied from 11 to 168 million bushels. Feed grain yields have been excellent in Kansas for several years now but yields could be more than a half lower next year.

The Christian Science Monitor in a recent article entitled "Grain Surplus Questioned" points out that utilization of feed grains has been increasing as rapidly as yields since 1958. What would happen if we should encounter a series of years in which the weather was as unfavorable as it has been unusually favorable since 1957? I ask unanimous consent that the article be reprinted in the CONGRESSIONAL RECORD at the close of my remarks in order that other Membes of the Senate may read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRAIN SURPLUS QUESTIONED

(By Dorothea Kahn Jaffe)

CHICAGO.—Everybody talks about farm surpluses, but is the Nation really producing too much corn and other feed grains?

"For the first time in 9 years, feed-grain utilization in 1961–62 will exceed feed-grain production," forecasts one agricultural economist, Prof. Francis A. Kutish, of Iowa State University.

Consumption appears to be catching up with production of this crop, even though new surpluses are appearing in others. The American Farm Bureau Federation calls the increased utilization during the late 1950's "truly phenomenal in the light of the record for the early years of the decade."

RISING USE EXPLAINED

The Farm Bureau, a supporter of the Agricultural Act of 1958, attributes continued increased utilization to the reduction in corn price supports which the act brought about. It calls attention to the fact that accumulation of stocks has greatly lessened since its enactment, stating that 75.9 percent of the corn carryover on hand on October 1, 1961, was accumulated before 1959 when the act went into effect.

It comments: "If utilization had increased as rapidly in the 6 years prior to 1956 as it has in the 5 years since, there would be no corn surplus."

FIRST STEP TAKEN

Professor Kutish, who sees supply and demand for corn coming into approximate balance this fall, amplifies his statement in a report published by the Center for Agricultural Adjustment at Iowa State. He credits the improved situation to the 1961 feed-grain program.

"The first step has been taken in orderly reduction of our bulging feed-grain surpluses and in the halt in the downward trend in farm income," he writes. "Feed-grain stocks on October 1, 1962, will be about 9,700,000 tons less than on October 1, 1961—after steadily climbing since 1952."

Actually, about 42 percent of the feed-grain farmers chose to participate in the 1961–62 program which gave them price support on condition that they withdraw at least 20 percent of their feed-grain cropland from production.

LAND WITHDRAWN

This voluntary participation resulted in a withdrawal of 25,200,000 acres from national production, Professor Kutish noted. True, many farmers who did not agree to comply raised more corn than before, but even allowing for this trend, says Mr. Kutish, the country's total land planted in feed grains was reduced about 20 million acres. This obviously acted as a check on production, along with other land-retirement programs which have been in effect since 1956.

Of course there have been important forces working at the same time to increase output per acre. Advancing farm technology is one. Increased use of fertilizer is another. And farmers who participated in the programs naturally wtihdrew their least productive acres, causing their average yield per acre to go up. Weather, too, entered the picture.

INCREASED YIELD SEEN

Because so many variables are involved, it is risky to forecast trends. Different economists taking the risk, foresee different outcomes for 1965. Professor Kutish, assuming normal weather and continuation of the present program, puts the average yield for 1965 at 62.9 bushels per acre, only about 1 bushel higher than last year.

But he notes that George Brandow, of Pennsylvania State University, predicts 65.1 bushels per acre in 1965, or 3.3 bushels above the present average. Others, however, foresee lower productivity, one economist putting the figure as low as 55.5 bushels.

USE FOLLOWS YIELD

The lowest estimate is still relatively high. The 1950–59 average yield per acre for the United States was only 44.1 bushels. In 1961, the figure had jumped to 61.8 bushels. Professor Kutish explains the striking rise as follows: "The feed-grain program with higher price supports limited to fewer acres provided an incentive for a faster rate of adoption of yield-increasing practices." Others may give different explanations.

But as yield goes up, so does utilization. Quoting Department of Agriculture figures, the American Farm Bureau Federation's July 16 newsletter says: "We are now consuming and exporting more corn than we have ever produced in a single year. * * * The big problem is the surplus that accumulated before the 1958 act became effective."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. The Senator from Kansas has touched on an important factor that has been little noted in the present circumstances, and that is that reductions in feed grains probably in the main can be attributed to the fact that animals are being fed more grain, and that there is an increase in meat production in this country, and meat is in increased demand. The statistics show that there is a demand for fed-out animals—that is, for hogs and cattle, and other animals to be finished. There is a greater demand for that now than ever before percentagewise. When I speak of "fed-out" I mean finished animals. I believe this fact has been startlingly responsible for the disappearance of a great deal of our feed grain stocks; perhaps more by far than any particular program which has been put into effect.

Mr. CARLSON. The Senator from Iowa is correct. The utilization of feed grain for the production of livestock products has increased greatly. As I said earlier, we have had some excellent weather conditions in the grain-producing areas during the past 5 years, which has resulted in this increase. In the State of Kansas in the past 15 years the production of corn has varied from 32 million to 90 million bushels. This favorable weather situation will not continue indefinitely.

Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I send an amendment to the desk and ask that it be received and printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, earlier today I spoke to the chairman of the committee with reference to amendments not related to the price support sections of the bill. The amendments were adopted unanimously by the Senate during the earlier debate in May. Both amendments are declarations of the sense of Congress. I have asked the chairman if he will accept the amendments, and he is agreeable to doing so. I have again discussed them with the Republican members of the Committee on Agriculture and Forestry.

Since the amendments were unanimously adopted in the previous bill, I now offer them and ask for their immediate consideration.

Mr. ELLENDER. Mr. President, as I understand, the amendments are identical with the amendments adopted by the Senate in May.

Mr. HUMPHREY. Exactly; and they were unanimously adopted at that time.

Mr. ELLENDER. I have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The first amendment will be stated.

The CHIEF CLERK. On page 94, after line 17, it is proposed to insert:

SEC. 405. Congress hereby reconfirms its longstanding policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities, though private competitive trade channels, both cooperative and non-cooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I ask that the second amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 94, after line 17, it is proposed to insert:

SEC. 406. It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer owned and operated associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. I thank the chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 1781. An act for the relief of the heirs of Lt. Col. James Murray Bate (deceased) and Maj. Billie Harold Lynch (deceased);

S. 2179. An act to amend section 9(d)(1) of the Reclamation Project Act of 1939 (53 Stat. 1187; 43 U.S.C. 485), to make additional provision for irrigation blocks, and for other purposes;

S. 2256. An act to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island;

S. 2574. An act for the relief of Constantina Caraiscou;

S. 2686. An act for the relief of Stepanida Losowskaja;

S. 2751. An act for the relief of Susan Gudera, Heinz Hugo Gudera, and Catherine Gudera;

S. 2862. An act for the relief of Mai Har Tung;

S. 3016. An act to amend the act of March 2, 1929, and the act of August 27, 1935, relating to load lines for oceangoing and coastwise vessels, to establish liability for surveys, to increase penalties, to permit deeper loading in coastwise trade, and for other purposes;

S.J. Res. 132. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; and

S.J. Res. 179. Joint resolution authorizing and requesting the President to designate April 21, 1963, as a day for observance of the courage displayed by the uprising in the Warsaw ghetto against the Nazis.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 10651) to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3728) to amend title 38, United States Code, so as to authorize the Administrator to assign a total rating for compensation to a veteran granted service connection for blindness of one eye who subsequent to separation from active duty incurs blindness in the remaining eye.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2020. An act to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to develop the South Barrow gasfield, Naval Petroleum Reserve No. 4, for the purpose of making gas available for sale to the native village of Barrow and to other non-Federal communities and installations, and for other purposes; and

S. 3428. An act relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia.

AID TO HIGHER EDUCATION

Mr. KEATING. Mr. President, I wish to speak this afternoon about the aid-to-higher-education bill, and to make a suggestion which might possibly break the stalemate which has developed among the conferees with respect to the bill.

We got off to a fast start last winter on the proposed legislation. H.R. 8900 passed the House on January 30, and the Senate on February 6, just a week later. Many who felt that an aid-to-higher-education bill was vitally important had hopes then that a compromise version could be worked out quickly in the conference committee, but these hopes soon became mired in the spring mud, and now have wasted away to almost nothing. It took the House until May 9 to appoint its conferees and, 3 months later, there is still no word of any progress. We are not going to get any aid-to-education bill at all if the present rate of speed is maintained. Or, if something is agreed upon, it is almost certain to be so watered down as to be virtually useless in the face of an immense problem.

The Senate version of the bill authorized an extensive program of Federal scholarships to needy students, as well as loans for the construction of academic facilities. The House version provides for a program of construction grants and loans only, without any program of student aid. The House conferees are under strict instructions not to accept any program of Federal scholarships, no matter how hard the Senate may press. It is difficult to foresee any meaningful compromise coming out of this intransigency, but there it is.

On February 2 of this year, which was just before the Senate acted on the measure, in concert with the junior Senator from Vermont [Mr. PROUTY], who was the ranking member of the Subcommittee on Education, we proposed a substitute approach. We proposed increasing the funds now available for loans under the National Defense Education Act by the amount proposed for scholarships in that bill. We further proposed that up to 50 percent of such loans be forgiven for students in the top 25 percent of their class. We also urged that up to 50 percent of such loans be forgiven not only for students who teach in public schools, as is now the case, but also for those who teach in private schools or colleges. That was the gist of our position in February, and we suggested then that it was a viable compromise that should be thoroughly explored.

This approach has a number of advantages. It could become immediately operable through the NDEA loans now administered by the universities. There would be no need for 50 new and cumbersome State bureaucracies. As a loan program, it would operate at a substantially lower cost to the taxpayer without diluting the advantages of assistance to those in need of it. It would encourage the student to take the initiative in guiding the course of his education and providing the necessary funds. Only those who really wanted and were willing to work for an education would apply for such help. It would encourage students to enter teaching, which would benefit education at all levels.

And above all, as we pointed out at the time, this proposal had a chance of being acceptable to both Houses of Congress, whereas the program the Senate ultimately approved did not.

An expanded loan program would be the very best and most equitable way to insure that these young Americans have a chance to get a college education, not wholly free, but with substantial assistance and encouragement. It might take some of the scholarship burden off the colleges and at the same time it should certainly encourage more applications, and therefore presumably higher caliber students within the colleges. This amendment was constructed upon a realistic foundation, to meet the finest ideals of the American people—assistance to those in need, self-help wherever possible, personal initiative, and a respect for the ideals and ambitions of betterment which each new generation holds. It was, and is, a good idea.

Unfortunately, Mr. President, this Chamber did not see fit to accept our amendment, or even to give it more than minimal consideration on the floor. The real argument against it was "Give us all we want so we can bargain better with the House" or "Let us deal with NDEA loans separately in another bill." Neither that other bill nor the great bargain which was to be won has seen the light of day. Under the guidance of the House Rules Committee, the Senate language on scholarships went to a certain doom, and no substitutes have emerged.

The point now is that we need a higher education bill; yet it seems that the executive branch is going to let it slip out of its grasp, either from indifference or from unwillingness to consider this compromise which Senator PROUTY and I originally proposed. For that reason, I should like to bring the substance of the Prouty-Keating amendment once again to the attention of the Senate.

There is new talk of a compromise, in which this body would agree—at least, that is how it is stated—to give up its scholarship provisions and the other body would agree to drop its program of construction grants and loans in favor of the loan-only provision. It seems to me that this type of compromise would give up so much that virtually nothing would be left to satisfy either House. There would be no aid for students, and there would be only very meager aid for construction.

A much more sensible compromise would be to substitute for the scholarship provision the language of the Prouty-Keating amendment, providing for a strong program of loans to students under the existing National Defense Education Act, together with whatever arrangements the conferees can make on educational facilities.

Although this would not satisfy the maximum desires of the majority of either House, no conference report does—or they rarely do; and this one would satisfy at least the desire that some effective assistance, some realistic, constructive and worthwhile action, be provided in the field of education. This is the true spirit of compromise, the spirit upon which our constitutional government is founded.

Mr. President, in suggesting this solution to our educational dilemma, I urge the majority party in Congress and the administration to declare themselves firmly for or against such a realistic program.

The defeat—or, rather, I should say the death by default—of this important legislation for aid to higher education will, it is true, be a defeat for the administration; but, more important, it will be a defeat for the people of the United States—a needless, wasteful and tragic defeat for all the young men and young women who are not presently able to afford a college education for which they may be qualified.

That is why I urge the conferees to give most earnest consideration to the provisions of the Prouty-Keating amendment as an effective method of getting together on a higher education bill which can be approved and would be approved by both Houses of Congress. I have been advised informally that the other body would accept such a compromise; and I am sure it would meet with the favor of this body.

HUNGARY SHOULD BE ON THE UNITED NATIONS AGENDA

Mr. KEATING. Mr. President, Senate Resolution 377, submitted by the Senator from Ohio [Mr. LAUSCHE], expresses the sense of the Senate that the question of Hungary should remain on the United Nations agenda for the 17th session of the General Assembly. I was

neys representing the Department of Justice in this matter; that the chief judge of the Fifth Circuit Court of Appeals had been contacted by Justice agents in an effort to influence the rescheduling of this trial. The surrounding circumstances of this case call for immediate investigation by the Senate Judiciary Committee.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources and for other purposes.

Mr. HART. Mr. President, I submit an amendment to H.R. 12391 and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. HART. The amendment was agreed to at the time the Senate passed the original farm bill some months ago. The justification for it, for those who are interested, is more fully set forth on page 8641 of the RECORD.

"UNITED STATES-LATIN AMERICAN RELATIONS"—BACKGROUND PAPER BY ROBERTO D. OLIVEIRA CAMPOS

Mr. McCARTHY. Mr. President, on August 6 Brazil's Ambassador to the United States, Roberto D. Oliveira Campos, addressed the Council on World Tensions at the University of Bahia. His background paper on United States-Latin American relations, I think, is one of the most thorough and worthwhile studies I have seen as to the historical relationships between the United States and the countries of Latin America. It also contains very pertinent comments on some of the current common problems facing the United States and the countries of South America.

The ideas expressed in the paper represent the personal opinions of the author and do not necessarily conform to the views of the Brazilian Government. I might also note that they do not necessarily conform to my own views with respect to all the problems of Latin America, but I think the study contains much which will be of interest and value to all Members of the Senate. Therefore, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

UNITED STATES-LATIN AMERICAN RELATIONS

(An analysis of relations between the United States and Latin America from the Monroe Doctrine to the Alliance for Progress and of the sources of tensions in the hemisphere [1])

This paper purports to analyze tensions, political and economic, that have arisen in the relations between the United States and Latin America from the period of the Monroe Doctrine to the new era ushered in by the Alliance for Progress. Such tensions are in part specific of this continent, reflecting the peculiarities of geographical contiguousness and the interplay of political power and economic imbalance between the United States and Latin America. In part they are susceptible of generalization, reflecting issues that affect in the world at large the relations between a leading industrial and financial power and the less developed countries, such as the problems of economic dependence, political intervention and the ideological issues of the cold war.

I will start with a brief review of the long-term historical evolution of inter-American relations, discussing in somewhat greater detail the course of U.S. foreign policy in relation to Latin America after World War II. I shall then explore the several types of tension that can be identified in this review of inter-American relations, with a more detailed comment on recent sources of economic tension. I shall finally discuss the problems and outlook of the Alliance for Progress.

THE KEY IDEAS IN THE EVOLUTION OF INTER-AMERICAN RELATIONS

The simplest way of reviewing inter-American relations over the last century is to pinpoint some major ideas that were the engines of either action or controversy. Those key ideas—the "ideas force" in the Hegelian sense—were (1) the Monroe Doctrine and its interpretative byproducts—the Polk and Roosevelt corollaries; (2) the creation of the Pan American Union; (3) the good neighbor policy and its principle of nonintervention; (4) the Operation Pan America and the Alliance for Progress.

The first master idea that impregnated an entire century was the Monroe Doctrine, contained in the President's Message to Congress on December 2, 1823, which had a forerunner in the "no transfer resolution" of 1811. Both the Monroe Doctrine and the no transfer resolution never ceased simultaneously to amaze and to irritate European strategists. Metternich, the most ingrained European of them all, once berated the Monroe Doctrine as "an indecent declaration." Almost a century later the German geopolitical school rated it as the most superb idea of the century, because of its principle of "nonintervention" based on the pure notion of "space" and not on historical and juridical tenets.

The Monroe Doctrine was admirably adjusted to the concept and requisites of the "defensive imperialism" which marked the beginning of the expansion of the United States as an independent Nation. As the United States, having gradually tamed its territory, turned into an "extrovert power" and, conscious of its new strength, launched an extra-continental bellicose adventure against Spain, a new leading idea emerged. This was the so-called Roosevelt corollary, which expressed itself in the policy of the "big stick." This was simply the statement of the right to "intervene to prevent others from intervening" and it can be regarded as the extreme expression of the concept of patronizing imperialism.

The Monroe Doctrine was a bold geopolitical gesture not based on a posture of strength. The dominant military factor those days, which alone could enforce the Monroe Doctrine, was the British fleet which, of course, could only be counted upon to prevent encroachment by rival European powers but not to prevent intervention dictated by British interests. Thus Britain occupied the Malvinas Islands in 1833, proceeded to the annexation of Belize in 1869, shared in the French-Anglo intervention in the River Plate in 1825 and in the American-French-Spanish expedition against Mexico in 1862. In its origin, the Monroe Doctrine was unilateral and nationalistic, expressing the traditional policy of continental isolationism contained in George Washington's famous farewell speech, but also reflecting the concern of the United States over the Russian infiltration along the Northwest coast and the interventionist policy of the Holy Alliance. None of the leading statesmen, Monroe, Adams, Clay, Polk, sought to convert it into a continental pact subscribed by the Latin American Republics.[2]

Despite its nationalistic and unilateral formulation, the Monroe Doctrine was unhesitatingly accepted by the Latin American countries. Colombia and Mexico welcomed enthusiastically the new policy and Brazil, while never resorting to the protection of the Monroe Doctrine sought, repeatedly, since the fourth Inter-American Conference in Buenos Aires in 1910, to transform this doctrine from a unilateral policy declaration into a continental undertaking.

This "continentalization" of the doctrine came to pass only in the immediate post-II World War period, through the adoption of the Act of Chapultepec in 1945 and the Reciprocal Assistance Treaty of Rio de Janeiro in 1947.

While the Monroe Doctrine was a source of tensions in the relations between the United States and Europe, it was generally welcomed by the Latin American States. The same, however, cannot be said of some of its corollaries, which have been at the root of some of the major historical tensions in the hemisphere. The first corollary is the so-called Polk corollary. In his message to Congress, in 1845, after reiterating the principle of nonintervention for the purpose of barring Europe from incursions into the new world, Polk issued a warning to the effect that if a former colony, after breaking relations with the metropolis and declaring its independence, should wish to join the United States, this ought to be regarded as a "family question." The Polk corollary was designed to prepare the ground for the accession of Oregon, Texas, and California. While in a formal sense directed mainly against Spanish intervention, it did in fact affect very deeply the interests of Mexico, the natural legatee of Spain's northern Empire. The second corollary, named "the Roosevelt corollary" after its proponent Theodore Roosevelt, was to become a fuel for attrition, for it carried the responsibility of having inspired several armed interventions in Central America and the Caribbean, by

[1] The ideas expressed in this paper represent the private opinion of the author and do not necessarily conform to the views of the Brazilian Government.

[2] G. Nerval. "Autopsy of the Monroe Doctrine," New York, 1934. Macmillan.

claiming for the United States the right to intervene in the internal affairs of the Latin American Republics, as long as they did not behave with reasonable efficiency and decency in political and social matters, failed to maintain international order or to meet international financial commitments.

The second idea force was the Pan American movement, which unfolded in two phases: (a) The Hispano-American or Bolivarian phase, embodied in the Letter of Jamaica of 1815 and the Panama Congress in 1826; and (b) the Pan American Union Movement, which found expression in the invitation tendered by the Secretary of State James Blaine, in 1881, for the Conference of the Inter-American States, which was finally convened in 1890.

Even though in the implementation of the Bolivian conception emphasis was given exclusively to the political and juridical problems of the confederation of the Latin-Spanish countries, Bolivar himself had thought in pragmatic economic terms, broaching both the idea of a single currency and that of a customs union. But the divorce between political structures and economic needs was to continue until almost our day. While the formation of a customs union was also among the main objectives of Blaine's convocation, the first Inter-American Conference in 1890 did not implement the idea largely because of the protectionist sentiment, then strong in the United States. The subsequent conferences in Mexico (1901), Rio de Janeiro (1906), Buenos Aires (1910) and Santiago (1923), were largely concerned with juridical matters and the creation of a juridical infrastructure for the system. The political phase can be said to be ushered in by the Inter-American Conference on the Consolidation of Peace which convened in Buenos Aires in 1936, and which benefited from the tension-reducing environment created by the Rooseveltian formulation of the "good neighbor policy," to which we shall now turn.

The economic phase of Pan American cooperation did not really assert itself until much later with the launching of Operation Pan America, in 1958, followed recently by the Alliance for Progress.

The third idea force of the U.S. policy in relation to the southern countries has been the "good neighbor policy," with its corollary principle of nonintervention. The good neighbor policy laid the foundation for a durable system of peaceful political coexistence refined in its juridical aspects, though void yet of economic substance.

During the interregnum of the Republican administration between 1952 and 1960, the good neighbor policy found a revised expression in the policy of "good partnership," which, however, was merely an adaptation of the earlier theme to reflect the more conservative approach of the Republican Party's foreign policy.

The fourth and fifth key ideas of the inter-American system were the launching by President Kubitschek of the proposal for a Pan American operation designed: (a) to bring to the foreground the problem of economic underdevelopment and (b) to emphasize the collective responsibility of the Americas in its elimination. Subsequently, President Kennedy's Alliance for Progress, an outcome of and a complementation to Operation Pan America, entered the beclouded inter-American scene. But more on this later.

Even though the pattern of North American political behavior in 1¼ centuries elapsed between the Monroe Doctrine and World War II may have assumed various shapes, its geopolitical underpinning centered on the continental space of the Western Hemisphere remained unchanged.

In fact, throughout the Rooseveltian era, even though political realities had long ago forced the United States to abandon its isolationism in respect to Europe, the hemisphere continued to be the area of special interest or, to use a more pedantic phrase, the area of geopolitical priority.

In recent years, however, in the interval between the eruption of the cold war and the formulation of the Alliance for Progress, the geopolitical axis of the U.S. defense shifted to the European peninsular area and heartland and to the maritime fringes of other continents.

THE APPROACH OF THE PENINSULAR SCHOOL

In the agitated postwar era, under General Marshall and Secretary Acheson, a new approach emerged which, for lack of a better word, I shall call the peninsular school of thought. This is because the European peninsula became the area of geopolitical priority. The crucial theme of the U.S. foreign policy was then to deny to the Soviets the domination of Western industry and resources, and to preserve Western Europe from contamination by the Soviet ideology.

The working concepts of the peninsular school seem to have been twofold. The first was that the attention of the United States should concentrate primarily on the areas more exposed to Soviet pressure, either because of their vulnerability to armed conquest or because of their proximity to the center of Soviet ideological contamination. Thus, during the immediate postwar period the European peninsula and the maritime fringe of the eastern Mediterranean won top priority in the American design. The second concept was that, in view of the limitation of economic resources, public investments, loans and grants should be channeled for the reconstruction and development of those danger areas; the needs of the underdeveloped countries of Latin America, Africa, and Asia should, insofar as practicable, be met by the operation of private capital. Furthermore, foreign aid should be handled as some sort of "ideological bactericide", and injected in such fashion as to prevent an abrupt fall in the European standard of living, with the subsequent proletarization and dissolution of the middle class by subversive pressures.

This then appears to be the design underlining the Marshall and Truman plans.

THE POLICY OF RESIDUAL TREATMENT AND THE PERILOUS LULL

The U.S. policy in relation to its southern neighbors was throughout this period relegated to a residual position. This was the period of the "perilous lull." Viewed from the Latin American angle, this policy seemed to rest on the following premises. First, that Latin America had lost priority in relative terms because its wartime strategic importance had declined, as a result of changing warfare concepts and of the displacement of the area of potential contamination. Secondly, that Latin American development was a task to be left to the responsibility of private funds, complemented by such public loans as the Eximbank or IBRD might extend after meeting urgent reconstruction claims. This interpretation, though not completely unbiased, appears justified by the course of events.

It is clear that this redisual treatment and the reversal of the traditional priority concepts was never accepted good naturedly by Latin American countries, even though they recognized the realities of the situation and the danger of Soviet aggression. This also explains the cool and at times hostile reaction of Latin America to the Marshall plan, a reaction which seemed at the time shocking and disconcerting for many Americans who expected a warmer recognition of their generous and self-sacrificing approach to the problem of European reconstruction.

The issue was further beclouded by the fact that within the continent the U.S. postwar policy suffered from a certain degree of indeterminacy, oscillating between the principle of uniform treatment and the key-country approach. It seems that initially it adhered to a pattern of standardized behavior: maintenance of the status quo and of balanced treatment for all of the members of the community. Two exceptions to the rule of standardized behavior seem to have occurred. The first one was the Braden experience, which involved the application of economic sanctions against dictatorial regimes. The second one, toward the end of the Acheson administration, was a brief essay in the application of the "key country" approach. The establishment of the Joint United States-Brazil Economic Development Commission in 1950 was in fact a prematurely abandoned attempt to choose a special area for a concentrated economic development effort, with the double objective of strenghtening, through more intimate economic cooperation, the traditional political solidarity between the two nations and to test the workability of a program for economic development within the capitalistic framework, demonstrating its effectiveness by contrast with Socialist planning.

During the transition from the Truman to the Eisenhower administrations in the postwar period, several of the postulates of the peninsular school of thought became outdated.

The very success of the Marshall plan yielded the twin result of lessening the Communist danger in Europe while widening the economic gap between North American and Western Europe, on the one hand, and the stagnant or slow-growing economies of Latin America, Asia, and Africa, on the other.

Conscious of the need for a dramatic demonstration of interest in the fate of underdeveloped countries, the U.S. Government launched the point 4 technical assistance program in January 1949. This was a brilliant idea and gave considerable satisfaction to the underdeveloped areas including Latin America, which welcomed the program viewing it as a preparatory step for an investment effort. The attendant political risk was that technical assistance sharpens the hunger for, and increases the ability to use, investment capital and, if investment programs are not forthcoming, the result might be increased disappointment.

THE NEOGEOPOLITICAL APPROACH

The most important development of recent years, however, including most of the period of the Republican administration, but overlapping also with the initiation of the new Democratic administration, was the abatement of ideological pressure from the Communists in Europe, its catastrophic recrudescence in Asia, and the problem created by the emergence of new nations in Africa, deeply influenced by Western culture, but afflicted by resentment against colonialist domination.

In this changed scenery, new patterns of foreign policy emerged. During the Eisenhower administration, the trends of foreign policy could be described as the "neogeopolitical approach." This new school of thought has also geopolitical roots but those are not planted on this continent, as was the old Monroe Doctrine, but on distant soils. The fact is that, whether the Latin Americans like it or not, geopolitical postulates themselves have changed pari-passu with the assumption of world leadership by the United States. The problem was no longer to deny to Western European countries access to the continental preserve. It was rather to maintain the influence of Western ideas in Asia and the Middle East and in the newly emerging countries in Africa. It is to prevent the ideology that now rules over the Eurasian heartland from taking hold of the maritime fringes of the Middle East and Asia, the Far Eastern lands and the Indian subcontinent, as well as of emerging countries of Asia.

The idea of long-range planning and programing found reluctant ears in U.S. policymakers who were (a) preoccupied with avoiding a massive U.S. involvement in financial commitments for aid to Latin America, and (b) fearful that the endorsement of the planning philosophy might encourage or hasten state-minded or socialist tendencies in Latin American governments, thus stifling private enterprises.

The U.S. attitude began to show perceptible changes after the launching of Operation Pan America, and particularly during the discussion of the Committee of Nine and Bogotá Conference in June and September of 1960, respectively, but only in the Punta del Este Charter was there a frank and strong endorsement of the principle of long-range global planning and the correlate acceptance of a long-run U.S. commitment for Latin American development.

As usual, this shift in policy has not been devoid of paradoxes. For after having insisted over many years for U.S. acceptances of the planning philosophy, many Latin American countries found themselves administratively and technically unequipped for undertaking the planning job when the principle was finally recognized in Punta del Este.

Substantial progress is being made in this direction, and one of the major tasks of technical assistance in the near future will be the improvement of the planning machinery on this continent.

THE ALLIANCE FOR PROGRESS

By far the most important event in recent days in inter-American relations is the launching of the Alliance for Progress.

The Alliance for Progress was built on the foundation laid down by the proposal of the Operation Pan America of the Brazilian President Kubitschek. It has with the latter points of contact and points of dissimilitude. They both aim at quantifying growth objectives for Latin American countries, at determining needed rates of investment and the magnitude and sources of the required external assistance, and both recognize the collective responsibility of the Americas in the fight against economic underdevelopment. They differ in that the Alliance for Progress lays emphasis on the immediate promotion of social investment and on long-run institutional and structural reforms, which were not focused upon by Operation Pan America. The latter envisaged social development as a byproduct of economic development and held that the effectuation of reforms should be a result rather than a precondition of the global investment effort.

The simple enunciation of the Alliance for Progress has brought a significant shortrun contribution to reduce tensions in the hemisphere. For many of its postulates give recognition to longstanding claims of enlightened Latin American statesmen and economists. Whether or not its final result will be a permanent abatement of tensions depends obviously on methods, pace and success of implementation.

As is inevitable in programs of social transformation, internal tensions are generated during and within the very process of change. If a taxonomy of tensions were attempted one might distinguish between the transformative tensions and the operational tensions. The first are unavoidable and necessary for they are at the very core of the problem of changing social aims, attitudes and values. The process of modernization of societies is never a spontaneous process but a promoted change, in which the elements of the old social order are subject to transformation or destruction. The "operational" tensions are those generated by imperfections and strain of the machinery for implementation of a complex program of social change and economic development, operated on an international scale.

In a sense, the transformation tensions refer to terminal values and the operational ones to instrumental values.

I have, in a different context, sought to analyze the unresolved "antinomies" that beset the Alliance for Progress. This may provide convenient framework to discuss both the "transformative" and the "operational" tensions.

The first antinomy is the contrast between the instrument and the objective. The Alliance for Progress is a bold program for economic development and social change with a strong egalitarian bent. But some of the governments that signed the Punta del Este Charter, fortunately a very small minority, still represent traditional rural oligarchies whose allegiance to drastic social change is either too superficial or too timid. In this case the implementation of social reforms will be impelled much less by the carrot of social justice and economic development than by the stick of fear of social convulsion.

The second is the contradiction between the need for an impact effect and the conditions of maximum longrun effectiveness. The latter require, in order for the investadequate institutional framework, structural assuring a proper coefficient of self-help, an before social reforms are enacted and effecreforms of tax and land tenure systems, and a coherent set of monetary and fiscal policies.

On the other hand, it is often necessary for social and political reasons, to direct immediately some initial investment to several sectors of the underdeveloped economy even before social reforms are enacted and effective economic policies adopted. A certain risk of initial waste must therefore be accepted almost, we might say, as the political cost of breaking inertia and arousing public support and participation; and there is no way of avoiding a partial misallocation of resources, except at the much higher cost of generating skepticism and mistrust regarding the purposes and effectiveness of the Alliance.

Thirdly, we have the controversy between social and economic development. The Alliance has been sometimes criticized, particularly in Brazil, as a method of dealing with social problems by means of social remedies, while those problems require, to a great extent, basically economic solutions. Yet, when the prevailing social environment is such that the available labor force cannot be fully engaged in production on account of social unrest, squalor, and disease, then it is sensible to complement massive economic investments with allocations of capital for social development projects. In fact, economic and social investments instead of being mutually exclusive alternatives become indeed complementary.

Fourthly, we face the serious dilemma of consented reform versus revolutionary change. One could easily draw the divortium aquarum of contemporary social action and thought in Latin America as coinciding with the line that divides the will to bring about basic economic, social, and political reforms (even of a radical nature) by means of democratic change, from the desire to subvert existing institutions, in order to impose upon social reality, in a sudden manner, new patterns and values.

In this sense, we find both the extremes of left and right, the revolutionaries and the defenders of the status quo, fighting in the same trench, although by opposite reasons, against the Alliance for Progress. The former because they do not want to work toward gradual progress, but rather try to extract light from darkness, and economic order from social chaos. The latter because they do not want to lose the comfortable status they have enjoyed for so many years in our unjustly organized societies, afflicted by the contrast between despair and privilege.

In the fifth place, there is the dilemma between Government planning and free enterprise. Social pressures for development in the modern context require a large degree of Government intervention, which, if not skillfully handled, may have restraining effects on the vigor of private initiative. Moreover, political factors may impose the reservation of special areas for national operation. It is far from easy to maintain a correct balance between private motivation and planned growth, and it may be expected that tensions will arise between governments and private enterprises, particularly foreign enterprises. The use of the leverage of external assistance to interfere with the Government's freedom of choice in allocating tasks between the public and the private sector may generate dangerous friction which it is imperative to avoid if the Alliance for Progress is to succeed.

Let us register, as a sixth factor, the conflict between political inspiration and bureaucratic inertia. And this both in the giving and in the receiving end. The new mood, the new tempo, the new magnitude of effort finds enemies in conventional attitudes of the Washington lending agencies, for instance, that adhere to conventional banking criteria, that are always prone to reduce their own effort when new sources of funds enter the field, as well as in the incoherence of receiving countries often unable to modernize their administrative and planning machinery. In fact, bureaucratic perspiration threatens to sap the vigor of the political inspiration of the Alliance.

Finally we come to the antinomy of trade versus aid.

It has been estimated that the decline in the dollars receipts of Latin American countries, as a result of declining prices of their exports to the United States, is comparable, and in some instances superior in the last few years to the amount of dollars received under the form of loans and grants from the United States. Since 1953, the weighted U.S. average price of Latin American imports (excluding Venezuela and Cuba) declined by 20 percent, while U.S. export prices rose by 10 percent. The value of exports of Latin America to the United States in 1961 (assuming a relatively low price elasticity of U.S. demand for those exports) could have been higher by some U.S.$1.4 billion, if prices had remained at the 1953 level, a year which may be taken as reasonable basis for comparison because it was not distorted either by the abnormal demand of the preceding Korean boom or by the coffee valorization prices of 1954. This sum is superior to the combined flow of funds from all sources into Latin America last year. This perhaps provides a clue to the frustrating verification that despite what is mistakenly regarded as a substantial flow of funds to Latin America in the last decade, the perilous drift toward stagnation or abatement of the growth rate of the countries south of the Rio Grande has not been detained.

It is true that the price decline is a market phenomenon and not the result of an international conspiracy, and that to a certain extent the Latin American countries themselves, through unrealistic production and trade policies, contributed to the weakening of their terms of trade. The problem however is not to allocate guilt but merely to verify objectively that in a net sense there has not been a transfer of real resources to Latin America and that neither the United States nor the industrialized countries of Western Europe (which unlike the United States have benefited from improved terms of trade without an offsetting lending effort) have lost treasure or substance in helping Latin America. It should be noted that while both the American taxpayers and Congress acted generously in accepting the burden of taxes for foreign aid, there is sometimes a tendency to forget

the savings which the American consumer realized through lower prices paid for imports from Latin America; or to exaggerate the financial effort imposed by the Alliance for Progress, which not only represents, at currently estimated amounts, less than one-fourth of the yearly outlays for the Marshall plan; and which comes at a time when the American economy does not suffer inflationary pressure but, on the contrary, has substantial idle industrial capacity, food surpluses, and unemployed human resources.

The solution of these unresolved antinomies will be of fateful import for the Alliance for Progress. They affect and involve both North Americans and Latin Americans. For anguishing contradictions and conflicting motivations are not a privilege of either side, but part of the human burden, that can only be conquered by solidary effort. But more is required. There are political and psychological preconditions. Among them the most important is the creation of a mystique. (I prefer to talk of mystique rather than of ideology because the latter word has been often tainted by the evil scent of regimentation and intolerance.)

For the Alliance is not an exercise in a political vacuum. It is a work of social engineering requiring from the people a passionate involvement. In this sense it has to act as countermyth to the Communist ideology which, despite its wanton brutality, has been rather successful in conveying to neglected masses a feeling of belonging in the construction of new societies. For the program of the Alliance to succeed, men's minds and hearts must be mobilized, old traditions crushed, privileges waived, social injustices corrected.

The problem is to instill in the masses in Latin America a sense of personal as well as of national commitment. This personal involvement would require, at the outset, the breaking of inertia and skepticism. In other words, we must improve the credibility of the Alliance. That is why actual deeds in the form of well chosen impact projects to reach the masses are needed immediately, independent of social and structural reform, and independently of prior satisfaction (by governments often paralyzed by strife or insufficiently committed to the reformist purpose of the Alliance) of requirements of planning and financial stability.

But a sense of national involvement must also be created. As Governor Muñoz-Marin of Puerto Rico has put it, the "ideals of the Alliance must be fused with the national ideals of each country." Those national ideals may take the form of plans, programs, or simply a development strategy. What is essential is that they represent the national aspirations and not the importation of a foreign mold, for otherwise they would not provoke a national involvement in the concept of democratic reform and change.

Finally, since the Alliance is a cooperative continental undertaking, the organs for political expression and multilateral action must be strengthened just as, in the European case, a mystique of unity was created by a succession of associative organs, both in the economic and in the political fields—the OEEC under the auspices of the Marshal plan, the Council of Europe, the Coal and Steel Community, the Western European Union and above all the Common Market. Hence the suggestion now often heard for the creation in the inter-American scene of executive organs to promote economic integration—fashioning perhaps a "hemispheric nationalism," to use Felipe Herrera's expression—as well as of a political body, possibly in the form of a Western Hemisphere Parliament, may prove instrumental to foster the mystique of the Alliance. For the politics of the Alliance are just as important as its economics.[8]

The Alliance for Progress offers what may be the last chance to reduce economic, social and political tensions of the impatient and impoverished masses of Latin America to levels compatible with democratic reforms, without the painful and often uncontrollable surgery of authoritarian revolution.

Bold faith is needed no less than patient toil. There must be a search for constant understanding, and there must be courage to make mistakes because of excessive faith, rather than stagnate through caution or conventional wisdom.

To make the Alliance succeed is the great and perilous but rewarding travail of the Americas in this fateful decade.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

DAIRYING

Mr. McCARTHY. Mr. President, last Thursday I spoke on the emergency situation which has arisen in the dairy industry, both from the viewpoint of the low income of dairy farmers and the mounting problem of Government-held surpluses and Government costs of the support program under existing legislation.

On Friday the Senator from Louisiana [Mr. ELLENDER], the chairman of the Senate Committee on Agriculture and Forestry, discussed dairy legislation. He said that he was not going to offer any proposed legislation affecting the milk program to the farm bill. He did, however, express his concern about the problem, and he placed in the RECORD a letter from Secretary of Agriculture Freeman concerning it.

The Senator from Louisiana [Mr. ELLENDER] stated:

I have said repeatedly that, in my opinion, some changes in the dairy laws are imperative if the program itself is to survive.

He announced his intention of holding hearings in an effort to develop legislation which will solve some of the problems.

I appreciate his concern about the problem, but in my judgment we should not pass up this opportunity to adopt a temporary program to be effective until permanent legislation can be developed. I believe the letter from Secretary Freeman to the Senator from Louisiana [Mr. ELLENDER], which he placed in last Friday's RECORD, contains evidence of the necessity for action at this time.

I wish to note a few excerpts from that letter, which I think are particularly pertinent to the problem.

In the first paragraph the Secretary stated:

On several occasions during consideration of the pending farm bill you have stated your intention to have your committee consider further the need for improved dairy legislation. We would welcome such action at the earliest feasible time. [The dairy price support program is now reaching an extremely critical situation. In my opinion there is an urgent and immediate need for legislative action in order to prevent a debacle with the most serious consequences for dairy farmers, consumers, and taxpayers.]

I read further from the same letter:

Purchases of dairy products under the price support program are outrunning the Government's greatly expanded utilization of these products for domestic and foreign assistance programs. As a result, stocks of CCC-owned dairy products in storage are growing rapidly to unprecedented levels.

The most urgent problem concerns butter. At the present, we have over 400 million pounds of CCC-owned butter in freezer storage. We are very near to the limit of available freezer storage capacity. We have estimated, by a nationwide survey, that there is only 90 million pounds of freezer storage capacity available throughout the country for storage of CCC-owned butter, in addition to the warehouses already filled with CCC's present stocks.

I quote further from the Secretary's letter:

In the face of this already tight butter storage situation, CCC continues to acquire butter under the mandatory 75 percent of parity price support program at a rate considerably faster than it can be utilized for authorized disposal outlets. We estimate the total uncommitted CCC inventories of butter will reach 500 million pounds early next year—thus equaling the total potential freezer storage capacity available. Thus we are face to face with the prospect within a few months of having no place to put butter acquired through price support purchases.

The Secretary also stated:

Supplies of cheese and nonfat dry milk, although creating a less urgent storage problem, are also large. We have made available 40 million pounds of cheese for foreign donation. Donations of nonfat dry milk for domestic use were increased 40 percent and for foreign use, 38 percent. Still greater quantities are being made available wherever they can be used in the food-for-peace program. Yet CCC stocks of these products likewise continue to outrun available disposal outlets. Uncommitted inventories, as of July 31, 1962, totaled 105 million pounds of cheese and 556 million pounds of nonfat dry milk.

The cost to taxpayers of the dairy price support program has reached an all-time high. During the marketing year which ended March 31, 1962, net costs of price support operations for dairy products totaled $597 million. These Government expenditures amount to 50 cents for each 100 pounds of milk marketed by U.S. dairy farmers during 1961–62. The U.S. average price received by farmers for milk sold during this period was $4.23 per hundredweight.

The cost of price support operations for the amount of milk produced during the year by an average dairy cow comes to $36; the cost for a herd of 30 average milk cows for the year was $1,080.

[8] Cf. Felipe Herrera, President of the Inter-American Development Bank, "The Economic Aspects of the Alliance for Progress," address at Georgetown University, June 27, 1962.

We estimate that the net cost of the dairy price support program will again exceed half a billion dollars for the 1962-63 marketing year. Despite these enormous total expenditures for dairy price supports, despite the heavy contribution of the Government to the farmer's income from milk, dairy farmers' incomes are far from adequate.

At another point in the letter he states:

Although the leveling off in milk production in recent months indicates that the uptrend in production has been at least temporarily checked, the serious imbalance between milk supply and demand shows little sign of correction in the forseeable future. Individual dairy farmers are continuing to improve their efficiency and increase production at a rapid rate. At present milk prices, this is the only means the individual dairy farmer has of maintaining his gross income in the face of continually increasing production costs.

Finally, he suggests that new legislation is needed to accomplish three objectives:

1. Limit the acquisition of dairy products to quantities which can be utilized, without waste, in the national interest;
2. Authorize dairy farmers, if they choose by a two-thirds majority to do so, to bring milk supplies into reasonable balance with demand and needs for Government programs, in order to maintain their prices and incomes at a fair and adequate level; and
3. Provide for a gradual transition toward reduced Government expenditures for price support operations, at the choice of dairy farmers themselves, either through lower support price levels or through adjustment of milk supplies to demand.

I suggest that the amendment which I intend to offer will accomplish much toward achieving two of the objectives: that of limiting the acquisition of dairy products to quantities which can be utilized, without waste, in the national interest; and that of providing for a gradual transition toward reducing Government expenditures.

The second objective suggested by the Secretary, is a program to authorize dairy farmers, if they choose by a two-thirds majority to do so, to bring milk supplies into reasonable balance with demand and needs for Government programs, in order to maintain their prices and incomes at a fair and adequate level. I suggest that this type of program which requires a referendum is not something which can be accomplished at the present session of the Congress, and it is not likely to be effectively accomplished unless we have some experience with a voluntary program similar to the one I am suggesting.

It is my opinion that the voluntary program I have proposed will work effectively if the proper price levels are set and proper payments are offered. If it did not, of course, we could then look toward the accomplishment of a similar objective under a mandatory program approved by the dairy farmers. But preliminary to that, a voluntary program similar to that which I have suggested, should be tried.

Mr. President, the difficulty is that the existing legislation does not really contain any procedure by which dairy farmers can work out a solution. Price supports are mandatory at 75 percent of parity and the Government must purchase the surpluses.

The amendment which I intend to propose provides an emergency procedure patterned after the temporary Feed Grain Act. A comparable situation had developed in feed grains 2 years ago. Excessive surpluses had been built up under the program of previous years and there was no effective method by which farmers could reduce the surplus production. The feed grain program we enacted provided both for surplus reduction payments on acres diverted and for higher price supports to cooperators on the amount they marketed.

My proposed dairy amendment takes the same approach. It incorporates the provision already approved by the House of Representatives to make surplus reduction payments of up to $2.50 per hundred on the amount of milk, from 10 to 25 percent, which producers cut back.

I do not believe we would have had an effective degree of participation in the feed grain program if the farmer had been offered only payments for diverted acreage. It was necessary to offer him some improvement in the price support at which he marketed his production. The same situation is true for dairy production.

To make the voluntary reduction program effective I propose that supplemental payments be made to those who participate in the program on such quantity of milk for manufacturing purposes that they market. This amount would be in addition to surplus reduction payments, as provided in the House bill. The supplemental payment would be set by the Secretary at a level between the market price and up to 90 percent of parity. The amendment also permits the Secretary, if he initiates a program of surplus reduction and supplemental payments, to set the basic price support level between 70 and 75 percent of parity, dependent upon supplies. This authority does not replace the present law, but simply provides a temporary exception during the period the emergency provisions are in force. The proposed program would be effective for a year and a half, from October 1 of this year to March 31, 1964.

The estimates made on this proposed emergency program show that it would increase the net income of dairy farmers who choose to enter the program and also cut down on Government costs and Government held surpluses in storage.

This is a voluntary program. It does not impose mandatory quotas and it does not require a referendum. It provides dairy farmers with a reasonable procedure to make adjustments and it would cost the Government less than the existing program which, the Secretary has stated, "is now reaching an extremely critical situation."

Since I proposed this amendment a few days ago I have received letters and telegrams from a large number of individual dairy farmers as well as farm groups in support of this approach.

I ask unanimous consent to have printed at this point in the RECORD, a few of the letters and telegrams which I have received with reference to the amendment.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

PURE MILK PRODUCERS ASSOCIATION,
Tulsa, Okla., August 16, 1962.

Senator EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We are in receipt of your news release of Sunday, August 12, 1962, concerning your Senate dairy amendment.

I am much enthused about this approach to the problem. I presented to Mr. Lewis in the Department much the same approach some time ago.

I would suggest that this approach be given as much study and support in the Senate as possible from you to your colleagues.

I wish to again commend you and your staff for the services you are rendering the dairy industry concerning our present plight. I am alarmed at the complacent attitude that many farmer groups are taking concerning these problems.

Sincerely yours,

CHARLES F. MOORE,
Manager.

HONEY HOME FARM,
Thorp, Wis., August 17, 1962.

Hon. EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

SENATOR MCCARTHY: I want to congratulate you for your dairy program. I want to thank you for your diligent efforts you are putting forward on behalf of the dairy farmers.

Sincerely yours,

LOUIS WOJTKIEWICZ.

MISSOURI FARMERS ASSOCIATION, INC.,
Columbia, Mo., August 16, 1962.

Hon. EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCARTHY: We have read with great interest your press release explaining your proposed dairy amendment to the general farm bill now pending in the Senate.

We agree with you that the dairy problem is fast approaching emergency proportions, and consider it imperative that Congress take some constructive action on dairy legislation before it adjourns.

Your proposed amendment, as we understand it, is patterned after the emergency feed grains program, which has worked successfully and has been popular with farmers. You will recall that it was my privilege to serve as Chairman of the Advisory Committee which recommended this program.

We support your efforts to find an acceptable answer to the dairy problem, and commend you for again bringing this matter to the attention of Congress.

Sincerely,

FRED V. HEINKEL,
President.

MERCER COUNTY NATIONAL
FARMERS UNION,
Jamestown, Pa., August 16, 1962.

Senator EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

Hon. EUGENE J. MCCARTHY: In behalf of Mercer County National Farmers Union members we wish to thank you for the dairy bill and your past support of farm programs.

We feel the dairy bill is the only foreseeable solution to get relief for the farmers. Last year the largest supplier of milk for the Pittsburgh market paid their dairymen $1.24 per hundredweight for over half of their milk which is produced under class I specifications. This brings the blend price ridiculously low and forces the dairymen to produce more to pay their bills.

Hoping for your continued support of workable farm legislation.

Yours truly,

M. J. BROWN,
Secretary-Treasurer.

PURE MILK PRODUCTS COOPERATIVE,
Fond du Lac, Wis., August 13, 1962.

Senator EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We are pleased to learn that you are planning to offer the amendment to the Senate agriculture bill that would provide for dairy farmers voluntarily reducing milk production below their 1961 marketings.

We think it is sound to give dairy farmers this alternative. This would also save the Government and taxpayers one-half of the $4.50 per hundredweight it costs Government to purchase the milk marketed from farmers that is in excess of domestic demand.

We are asking our respective Senators to support your position and amendment on this important dairy matter.

Please accept our thanks for the efforts you are putting forth to give farmers the chance to reduce Government expenses, their marketing volume, and a voluntary alternative.

Sincerely,

WM. C. ECKLES.

MILTON, VT., *August 15, 1962.*

Hon. EUGENE J. MCCARTHY,
Senator from Minnesota,
Senate Office Building,
Washington, D.C.

DEAR SIR: I hope that a voluntary adjustment program for dairy farmers can be passed this year by Congress. I understand that you are going to offer such an amendment to the House-passed general farm bill.

It would help reduce the cost of the dairy support program to the Government, and also, help the financially hard-pressed dairy farmer. A temporary dairy program would not only help reduce the cost of the dairy support program and help restore the dairy farmers income, but could lead to hearings on a dairy program, that, I hope, would lead to a dairy farm bill that a majority of the dairy farmers would support.

Something needs to be done soon if the family-type dairy farm is to be preserved. Two farmers on a milk route, that I operate in Milton, Vt., sold their cows this spring. They were the type of farmer that we hate to see go out of business. One farmer had 25 milking cows and the other farmer had 30 cows. I had only seven dairy farmers on my route, originally.

There are many different types of dairy farmers in this country and they all have a place, but every effort should be made to save the family-type dairy farm.

I want to thank you for your great interest in the welfare of the farmers. I hope this terest your news release of August 12 re-

Yours very truly,

RAYMOND G. ROWLEY.

IOWA FARMERS UNION,
Des Moines, Iowa, August 15, 1962.

Senator EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCARTHY: I read with interest your news release of August 12th relating to your recommendations for dairy legislation. I wish to congratulate you on your efforts and determination in doing something to help the dairy farmer. Your proposals are a very important step in the right direction.

I am sending copies of this letter to Mr. ELLENDER, chairman of the Senate Agricultural Committee and to the Iowa Senators, HICKENLOOPER and MILLER. The Iowa Farmers Union will urge them to support your recommendation.

Yours truly,

KENNETH SCHUMAN, *President.*

ST. PAUL, MINN., *August 11, 1962.*

Senator EUGENE J. MCCARTHY,
Senate Office Building,
Washington, D. C.:

Your dairy amendment to the farm bill is a good first step to help the dairy farmers. The proposed provision of supplemental payments tied to a dairy base and to those who cooperate in the program is very sound and could well be the solution for getting production adjusted somewhat in line with market demand. Supplemental payments will increase income to farmers, reduce Government costs, maintain dairying as a family farm enterprise, and reduce the cost of dairy products to the consumer. However, to protect the family farm there should be a limit on the size of the base that any one producer can get the payment on. We feel that the dairy base on each farm should be handled by the ASC committee the same as feed grain and that the base should not be negotiable.

EDWIN CHRISTIANSON,
President, Minnesota Farmers Union.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Your dairy amendment is not charity or generosity or fairness but just plain commonsense.

HAROLD NORQUIST.

LITCHFIELD, MINN., *August 20, 1962.*

Senator EUGENE MCCARTHY,
Senate Office Building,
Washington, D.C.:

We heartily support your dairy amendment to the Senate farm bill. It is a worthy effort in the right direction.

CLIFFORD REESE.
GERALD CARLSON.

HAYFIELD, MINN., *August 20, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

I commend you on amendment to dairy section of farm bill. Urge support as proposed.

EARL GRONBACH.

HUTCHINSON, MINN, *August 20, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

I believe your dairy amendment is of extreme importance and urge its adoption.

HARRY BENEKE,
President, Biscay Co-Op Creamery.

BAUDETTE, MINN., *August 20, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

This county's farmers are for your dairy amendment to the farm bill. Would be real help.

NORENCE UNDAHL,
President, Lake of the Woods County.

OKLEE, MINN., *August 20, 1962.*

Hon. EUGENE MCCARTHY,
Senate Office Building,
Washington, D.C.:

Dairy farmers of my community strongly urge the passage of your amendment to the dairy section of the general farm bill.

STANLEY RADNIECKI.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Your proposed dairy amendment is a good and sound step in the right direction.

ADRIAN DONLEY.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Better management and financial opportunities are extended to dairymen by your proposed dairy amendment.

ELMER ANDERSON.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Express approval of the voluntary nature of your proposed dairy amendment relative supplemental payment.

HARRY THOMPSON.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Roseau County dairymen need the improved prices offered by your proposed dairy amendment.

JOHN SCHMITT.

WARROAD, MINN., *August 19, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

Dairymen urgently need voluntary plan as proposed in dairy amendment to stimulate needed income.

FRANK COLE.

HAYFIELD, MINN., *August 20, 1962.*

Senator EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.:

I commend you on amendment to dairy section of farm bill. Urge support as proposed.

C. A. SAXLON.

BARRON, WIS., *August 15, 1962.*

DEAR SENATOR MCCARTHY: I want to highly commend you for the dairy amendment that you have offered in the farm program. Conditions are serious on farms today. Hope Congress does not consider the CED report written by business people who do not understand farm conditions. What would happen if 2 million farmers would be moved into a labor surplus?

Sincerely,

A. M. HANSON.

PHILLIPS, WIS., *August 16, 1962.*

Hon. EUGENE MCCARTHY,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR OF MINNESOTA: I, as a dairy farmer of Wisconsin, wish to express my appreciation for your diligent efforts in behalf of us dairy farmers.

We need to take some action in the dairy business as we learn by trial and error.

If the farmer prospers, the whole economy will be improved which is good for our country. Thank you.

Respectfully yours,

JOE LOULA.

FOND DU LAC, WIS., *August 26, 1962.*

DEAR SENATOR MCCARTHY: I would like to commend you for the dairy program amendment which you will be introducing in the U.S. Senate this week.

I believe it will be a big benefit to the dairy farmers. Thank you.

REINHOLD GRAMS.

NEENAH, WIS.

DEAR SIR: I wish to thank you for your diligent efforts on behalf of we dairy farmers and I am urging my Senators to support your amendment.

Yours truly,

FLOYD J. NELSON.

POY SIPPI, WIS., *August 16, 1962.*

DEAR SENATOR: I and many of my farmer neighbors are in agreement with your voluntary cutback and temporary support program.

Good work. Keep with it.

EDWARD BUDHOF.

AID TO POLAND

Mr. HART. Mr. President, periodically Senators are faced with the responsibility of replying to a concerned and sincere constituent who protests what appears to him or to her the sending of money to help a Communist stooge. They say, "How can this possibly help us? What sort of fools are you down there?"

I have undertaken to explain the thoughtful basis on which activity such as that, when it is taken, is justified. But several days ago I received a letter which I think is perhaps one of the most eloquent justifications for the actions that have been taken by this Congress and the administrations of President Truman, President Eisenhower, and President Kennedy in this area.

Let me explain.

Some weeks ago a group of members of the Michigan State Bar Association toured Europe. Their itinerary included Poland and Russia. Following their return from that trip, I received a letter from a distinguished member of the Michigan bar. The letter made such an impression that I replied, asking permission to insert it in the CONGRESSIONAL RECORD. He replied that he was quite willing that it be done, provided, however, that I make clear that it was his own personal observation and not necessarily representative of the Michigan bar. He wanted me to make sure that it was clear he was not authorized to speak for the group of lawyers who traveled through Poland and Russia, or for the State bar of Michigan.

For reasons which I think will be evident to all of us, I think it important, and I ask unanimous consent that the letter from Robert L. Borsos, addressed to me, dated July 20, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BORSOS & STATON,
Kalamazoo, Mich., July 20, 1962.

HON. PHILIP A. HART,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: We were sorry that your responsibilities prevented you from touring Europe with the Michigan State bar group. My wife and I want to thank you for helping to clear the way, particularly to permit us to get to Moscow, Poland, and East Berlin.

You may be interested in knowing that we arrived in Warsaw on Corpus Christi Day, which I understand is a very important Catholic holiday. Despite Communist efforts to discourage religion, we saw the streets filled with people who had just participated in a religious parade, little girls still in their white dresses and veils, houses had the religious decorations across their fronts and crowds were packed at the door apparently trying to get into a church near the hotel. This apparently was only one of many ways in which the Polish people are standing up to their Communist rulers. Experience has shown that violent opposition would only result in their extermination. Apparently, however, a large segment of the people, in Warsaw at least, are not knuckling under to the Communists.

Prior to the trip, I probably would have been loud in my denunciation of aid to Iron Curtain countries had you sought my opinion. Now, however, I feel regrets in seeing the Senate trim aid to Poland.

I would be the last to claim that 25 days of sitting in European airports makes a person an expert on foreign affairs, but the experience certainly has widened our horizons.

Yours very truly

ROBERT L. BORSOS.

Mr. HART. Mr. President, it shows that Americans, who are sincerely devoted to this country, can have some very strong reactions when they read of help which is sent by this Nation to Poland. I wish all those who are critical could have shared Mr. Borso's experience of seeing Poland and discussing some of the fruits of the aid concerning which some of us in the Senate are criticized. I am sure this will be the impression they will receive from reading this letter.

A NATIONAL CHARTER FOR THE POLISH LEGION OF AMERICAN VETERANS

Mr. HART. Mr. President, when millions of Americans flocked to the colors in World War II, among them were hundreds of thousands of Americans of Polish descent. At the end of the war, these Americans of Polish descent found a need for a veterans organization designed to deal with the special problems of veterans of Polish descent. The Polish Legion of American Veterans was born of this need.

Today, the Polish Legion of American Veterans numbers a membership of close to 10,000, and its women's auxiliary, almost an equal number. Across the years, the members of the Polish Legion of American Veterans and its auxiliary have labored in hospitals and private homes to make life for less fortunate veterans less painful, less lonely, less desperate.

For years the Polish Legion of American Veterans has desired a national charter to enable it to expand its services and to qualify for certain materials for ceremonial purposes from governmental agencies. There is pending before the Congress legislation granting a national charter to the Polish Legion of American Veterans. This effort I endorse fully.

Recently the Legislature of the State of Michigan adopted a resolution memorializing the Congress of the United State to enact legislation now before it to grant a national charter to the Polish Legion of American Veterans. I ask unanimous consent that this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN, MICHIGAN LEGISLATURE

HOUSE CONCURRENT RESOLUTION 15

Concurrent resolution memorializing Congress to grant a national charter to the Polish Legion of American Veterans

Whereas the Polish Legion of American Veterans has existed for the past 30 years, with current membership of approximately 25,000 thousand American citizens of Polish descent; and

Whereas members and auxiliaries' members, as a major portion of their official benevolent and charitable activities, devote substantial and sustained efforts in aid of all classes of veterans in the United States—in hospitals, rest homes and wherever and in whatever their need may indicate; and

Whereas the Polish Legion of American Veterans and auxiliaries foster the development of American citizenship, civic and community welfare and progress: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be and hereby is memorialized to enact legislation now before it to grant a national charter to the Polish Legion of American Veterans; and be it further

Resolved, That copies of this resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, and each Michigan delegate to the Congress of the United States, and to the commander of each State Polish Legion of American Veterans.

Adopted by the house March 7, 1962.
Adopted by the senate June 26, 1962.

BERYL I. KENYON,
Secretary of the Senate.
NORMAN E. PHILLEO,
Clerk of the House of Representatives.

THE COMMUNIST STATES AND THE COMMON MARKET

Mr. HUMPHREY. Mr. President, considering the reams of material written about the Common Market and European economic integration, comparatively little has appeared concerning the effect of the Common Market on the Eastern European countries under Communist rule. I am convinced, through my daily reading, that a thorough study of this important subject is urgently called for. It seems inevitable that the European Economic Community will have one of two effects upon the Communist-dominated countries of Eastern Europe: First, it will either hasten the loosening of their ties with Comecon and the Soviet bloc; or second, Poland, Czechoslovakia, and other countries will prefer to find sanctuary with the Soviet Union, rather than fight a losing battle with the European Common Market. Clearly, the latter result would be a grievous setback for the West.

Certain facts speak for themselves. Some 40 percent of Poland's total trade is with the West. About 70 percent of Yugoslavia's trade is with the non-Communist world. If the Common Market were to erect impenetrable barriers to Eastern European exports, Mr. Khrushchev could hardly be prevented from dictating the trade policies of Poland and Yugoslavia, whereas today his influence is limited in each country—particularly in Yugoslavia. It is widely recognized that he who controls the trade routes also holds the key to the political

allegiances of his trading partners. It would be to our advantage if Eastern European trade were to remain a double-edged sword—cutting against the Communist goal of world domination instead of cutting exclusively for it.

As a valuable contribution toward discussion of these complex problems, Mr. President, I ask unanimous consent to place in the RECORD an article entitled "The Communist States and the Common Market: Russian and Yugoslav Apprehension," by a recognized authority on Eastern Europe, Capt. Eugene C. Hinterhoff. Captain Hinterhoff's article appeared in the British publication, the Tablet, of June 23, 1962. He convincingly documents the advantages for the Poles and Yugoslavs of continued access to the markets of Western Europe and the danger that they will be forced into an economic ghetto dominated by the Soviet Union. I would like to quote certain passages of Captain Hinterhoff's very intelligent discussion of these points:

> The enforced increase of the satellites' dependence on Russia could only result in a greater cohesion of the bloc and an increased combat value of the Warsaw Pact. A by-product of the economic isolation of Communist countries in Europe could be a great strengthening of relations, both trade and political, between Eastern Europe and the embittered young Asian and African countries of the Commonwealth. * * *
>
> Should Yugoslavia, as a result of the Common Market's effect upon her economy, decide to turn toward Russia, to join Comecon and the Warsaw Pact, Mr. Khrushchev's earlier success would be made permanent. For the West, it would be a major strategic reverse.

I commend Captain Hinterhoff's article to Senators' attention.

Another timely contribution to this subject is an article by Madeleine and Marvin Kalb, entitled "The Communist Dread of the Common Market," which appeared in the Reporter of July 19, 1962. Among other things, Mr. and Mrs. Kalb say:

> Possibly no other single Western phenomenon since the Marshall plan has had so profound an impact on the Communist world as has the emergence of the Common Market. Not only from an economic but also from a political, military, ideological, and diplomatic viewpoint, this dynamic and prosperous association has jarred the Russians with an example of Western economic vitality that defies Marxist scripture and coincides embarrassingly with a period of declining economic fortunes in the Communist world.

The Kalbs go on to say:

> The basic issue is whether Comecon can compete economically with the Common Market, and the indications are that it cannot.

They point out, quite rightly, that Stalin missed his opportunity in 1948 and afterwards to weld the Communist bloc into a tightly knit economic entity. They point out the rigid bilateral barter arrangements among Communist countries, the inconvertibility of East European currencies, the immobility of labor, the agricultural crises throughout the East European Soviet bloc, and—a factor of great importance—the reluctance of certain countries such as Poland to sacrifice their current trade arrangements with Western Europe for tighter coordination with the Soviet Union. The Kalbs conclude with the following provocative statement:

> Indeed, the EEC boom comes at a time of economic crisis throughout the Communist world, reflected in the recent sharp increase in the retail price of meat and butter in the Soviet Union. Any major and meaningful response to the Common Market would cost money, and the Russians have now run up against the brutal fact that after 44 years, their economy still has very little fat to absorb the additional cost of any major switch in policy or planning. For the first time since the war, the Soviet Union finds itself truly on the defensive.
>
> Short of a revolution that would make possible a radical overhaul of the agricultural system and an introduction of industrial efficiency, the Russians appear to be unable to come up with a feasible economic response to the challenge of the Common Market.

I ask unanimous consent that the aforementioned articles by Captain Hinterhoff and Mr. and Mrs. Kalb be placed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Tablet, June 23, 1962]

THE COMMUNIST STATES AND THE COMMON MARKET—RUSSIAN AND YUGOSLAV APPREHENSION

(By Eugene C. Hinterhoff)

A feature of the recent Commons debate on the Common Market was the apparent ignorance of the implications of Britain's entry as far as the Soviet bloc is concerned. Only Mr. Harold Wilson thought them worthy of a brief mention. And perhaps this is not surprising; compared statistically with Western Europe and the Commonwealth, Eastern Europe is of little importance to British trade. Indeed, the entire Soviet bloc accounts for only about 4 or 5 percent of Britain's exports. But politically and strategically the maintenance of this trade is very much more significant than a bare analysis of trade balances and statistics show.

Poland's trade with the West, to take one example, represents some 40 percent of her total turnover—the remaining 60 percent being mainly with her Warsaw Pact allies. The export of Polish bacon, stabilizing at 48,500 tons, earns her about £11 million a year, a figure which is plowed back, and used in this country for the purchase of British capital goods and machinery. Last May, the value of Polish orders for capital goods alone amounted to £18 million. Thus trade with the Poles, whose purchases increase every year, is of considerable interest to Britain's engineering industry.

Moreover, these trade relations with Eastern Europe—for to some degree Poland's trade with Britain is similar to that of the other European satellites—have greatly contributed to the liberalization of conditions, the increasing pro-Western orientation, and the decline of satellite economic dependence on Russia. The only exception here is Czechoslovakia, where the Government remains Stalinist and anti-Western.

If Britain joins a Common Market in which an outward, high tariff wall is erected, all the precious ground gained in Eastern Europe will be lost. Poland's foodstuffs will be unable to compete with those supplied by French and German farmers, and consequently her purchases of British machinery will end. A forewarning of this was given in 1960, when the quota of Polish bacon was cut by 8,000 tons. Poland immediately canceled her contract for the purchase of five Viscounts, and bought Ilyushins from Russia instead; when the quota was restored, trade began to flow again. The enforced increase of the satellites' dependence on Russia could only result in a greater cohesion of the bloc and an increased combat value of the Warsaw Pact. A byproduct of the economic isolation of Communist countries in Europe could be a great strengthening of relations, both trade and political, between Eastern Europe and the embittered young Asian and African countries of the Commonwealth.

Yugoslavia can be even more severely hit by the Common Market, as a country whose trade with the West constitutes some 55 percent of her overall trade—twice as much as her trade with the Communist countries. Out of the £19 million worth of her exports to Britain, about £12 million consists of pig-meat products. But as there is already a self-sufficiency of pig-meat products within the Common Market area, Yugoslavia's meat exports to Britain are in danger of being cut off. President Tito's economic experts now assess Yugoslavia's losses resulting from Britain's entry in terms of thousands of millions of pounds.

It is against this background that the recent visit of Mr. Gromyko to Belgrade acquires an ominous character. It was not a coincidence that in Sofia and Bucharest, soon after Mr. Gromyko's visit, Mr. Khrushchev made friendly remarks about Yugoslavia, and that the Russians placed large orders for fishing trawlers with the Yugoslav shipping industry. Soon a Yugoslav trade delegation is due in Moscow, and it has been announced that Tito will visit Russia in September. It is probable that when he meets Mr. Khrushchev the Yugoslav President will discuss closer economic relations between the two countries, and that the discussion will center on the possibility of Yugoslavia joining Comecon and the Warsaw Pact.

It is not generally realized that for as long as Yugoslavia was a member of the Balkan Pact, which she joined in 1953, Europe was virtually immune from any danger of conventional Soviet aggression. Since Tukhachevsky's army, advancing against Warsaw in 1920, was routed because of Pilsudski's attack on its open flank, Russian strategic doctrine would never again risk putting the Red Army in a similar position. Yugoslavia's membership of the Balkan Pact, and therefore, indirectly, of NATO, would have exposed a Soviet advance in Western Europe to a threat of some 100 Balkan divisions.

The West made no use of this negotiating position of strength, and a few weeks after Mr. Khrushchev came to power, he went cap in hand to Belgrade * * * and Yugoslavia withdrew from the Balkan Pact; when, in July of the same year, Mr. Khrushchev attended the Geneva Summit Conference, the strategic balance had begun to shift in favor of Russia.

Should Yugoslavia, as a result of the Common Market's effect upon her economy, decide to turn toward Russia, to join Comecon and the Warsaw Pact, Mr. Khrushchev's earlier success would be made permanent. For the West, it would be a major strategic reverse.

The Common Market could also decide Mr. Khrushchev's greatest dilemma. If Britain, under pressure from France, were to pass on some of her nuclear secrets, the Sino-Soviet dispute might be ended by a nuclear gift to Mao. This would follow the same pattern begun when the formation of NATO inspired Stalin's decision to integrate the armed forces of Eastern Europe into the Soviet military system, and continued when Germany's inclusion in NATO was followed by the drawing up of the Warsaw Pact.

Would Britain's membership of the Common Market change the outlook? The EEC by itself will lead to a strengthening and

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 22, 1962
For actions of August 21, 1962
87th-2d, No. 148

CONTENTS

Agricultural appropriations.....2	Diverted acreage.....1	Loans.....1
Air pollution.....11	Employment.....13	Marketing orders.....1
Acreage allotments.....1	Farm loans.....1	Milk.....1
Appropriations.....2	Farm program.....1	Personnel.....4,13
Attaches.....7	Feed grains.....1	Price supports.....1
Buildings.....7	Food and drugs.....9	Sheep.....8
CCC stocks.....1	Foreign aid.....5	Taxation.....9
Communications.....10	Foreign trade.....3,12	Travel.....4
Dairy program.....1	Land-use adjustment.....1	Water.....6
	Legislative program.....9	Wheat.....1

HIGHLIGHTS: Senate continued debate on farm bill. Senate subcommittee approved agricultural appropriation bill.

SENATE

1. FARM PROGRAM. Continued debate on H. R. 12391, the farm bill (pp. 16114-5, 16136-85). Agreed to a unanimous-consent agreement providing for a vote on passage of the bill at 2 p.m., Wed., Aug. 22 (p. 16183).

Agreed to the following amendments:

By Sen. Ellender, to repeal the feed grain price support provisions of the Agricultural Act of 1958 and provide, instead, for support of the price of corn at such level, not exceeding 90 percent of parity, as will not result in any increase in CCC stocks. This provision is to become effective with the 1964 crop. pp. 16136-7

By Sen. Hart, to provide that marketing orders for cherries may provide for any form of marketing promotion including paid advertising. p. 16137

By Sen. Ellender (for Sen. Fulbright), to authorize Farmers Home Administration loans for fish farming. p. 16137

By Sen. Young, N. Dak., to strike out a provision of the bill providing that price support for feed grains shall be made available on not to exceed the normal production of the 1963 acreage of each eligible farm based on its

average yield per acre for the 1959 and 1960 crop acreage. pp. 16140-1

By Sen. Dirksen, as modified by a substitute amendment by Sen. Ellender, to provide that, effective with the 1964 crop, the minimum sales price for corn, oats, rye, barley, and grain sorghums from CCC stocks shall be 65 per cent of parity for such commodity as of the beginning of the marketing year, plus reasonable carrying charges. pp. 16155-6

By Sen. Mundt, to provide that owners of diverted acreage shall undertake erosion control measures, in addition to insect control, weed control, etc. pp. 16156-7

By Sen. Cooper, to provide price support at 50 percent of parity for wheat in the event wheat growers reject marketing quotas in a referendum. pp. 16174-5

By Sen. Proxmire, to authorize the Secretary to make feed owned by CCC available to producers of milk, on such terms as he deems appropriate, when necessary to assure a supply of milk free of radioactive fallout contamination. pp. 16175-8

Rejected the following amendments:

By Sen. Robertson, to repeal the present provision of law providing for a national acreage allotment for wheat of not less than 55,000,000 acres. pp. 16137-8

By Sen. Mundt, 29 to 50, to provide that in the referendum on wheat the wheat farmers shall have a choice of voting for the proposed two-price system or for continuation for two years the present program for wheat. pp. 16157-62

By Sen. Tower, 17 to 55, to require the Secretary of Agriculture to submit to Congress a plan for the termination of acreage allotments and price supports within four to six years. pp. 16166-74

By Sen. Humphrey, to add a dairy program to the bill. pp. 16178-83

By a vote of 40 to 37, tabled an amendment by Sen. Keating to provide that no assistance shall be provided under title I, relating to land-use-adjustment, unless the Secretary of Agriculture determines that public facilities to be developed will be available to all persons without discrimination on account of race. pp. 16162-6

By a vote of 58 to 23, tabled a motion by Sen. Cooper to reconsider the vote by which the Ellender feed grains amendment was agreed to. pp. 16141-54

2. APPROPRIATIONS. The "Daily Digest" states that the Subcommittee of the Appropriations Committee "marked up and approved for full committee consideration with amendments H. R. 12648, fiscal 1963 appropriations for the Department of Agriculture. The full committee will consider this bill in executive session tomorrow." p. D752

3. FOREIGN TRADE. Sen. Proxmire inserted an article, "Trade Surplus Rises to $5 Billion Rate." p. 16113

4. PERSONNEL. Sen. Lausche charged that "the Federal Government is in the process of constantly pirating employees of the State of Ohio," and criticized the proposed Federal pay raise. p. 16118

The Commerce Committee voted to report (but did not actually report) with amendment S. Con. Res. 53, favoring travel by legislative and Government employees on U. S. air flag carriers. p. D752

5. FOREIGN AID. Sen. Mansfield inserted an address by Chester Bowles on foreign aid. pp. 16119-21

6. WATER. Sen. Moss inserted an address by the Utah Commissioner of Reclamation, "Cooperation in Western Water Resource Development is a Two-Way Street." pp. 16129-32

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

Mr. RANDOLPH:

Editorial appearing in the August 17 issue of the Evening Sun (Baltimore, Md.), entitled "Senate Victory."

By Mr. GOLDWATER:

Excerpts from article entitled "MacArthur Expresses Gratitude for Citation," published in a recent edition of the Washington Evening Star, containing the remarks of General of the Army Douglas MacArthur, who was recently presented with an engrossed resolution expressing the thanks of Congress and the Nation for his "outstanding devotion to the American people, his brilliant leadership during and following World War II."

By Mr. WILLIAMS of New Jersey:

Editorial entitled "Inquiry on Poison in the Air," published in the Elizabeth (N.J.) Daily Journal of August 3, 1962, dealing with the subject of air pollution and excessive cigarette smoking.

Editorial entitled "War of 1812 Sesquicentennial," published in the Elizabeth, N.J., Daily Journal of August 3, 1962.

GOVERNMENT FINANCING AND THE BANKS

Mr. BUSH. Mr. President, the Washington Post this morning editorially inquires that if private business can finance through the banks, why not the Government? The editorial points out that when a business loan is made, the borrower goes to the bank and gives his note in exchange for a deposit which is set up, thus creating the equivalent of new cash.

So the editorial inquires, why cannot the Government do that just as well?

The point of difference is really payback. The private borrower goes to the bank, his profit and loss account is carefully scrutinized, his balance sheet is carefully examined, his credit is appraised, and, if found satisfactory, the loan is made. Of course, the banks do not make long-term loans. Very little bank money is loaned for a period of more than 5 years, but most of it has a very short term. When a loan is made, the time to pay back is firmly established; and the borrower does pay it back. Thus, the payback liquidates the inflationary force of making the loan. Paybacks and new loans are being made all the time; thus, one counterbalances the other.

On the other hand, when Uncle Sam comes in to borrow, the record shows that he does not pay back; the new money is created, and it stays in circulation. This is why it is called printing-press money; and that term is used in the editorial, which I now ask unanimous consent to have printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, there may be occasions when the Government must finance through the banking system; but to make a practice of it would have a highly destructive effect on Government credit and a highly inflationary effect upon the economy, thus injuring the savers, the pensioners, and all those living on fixed incomes, including the preachers, teachers, civil servants, and so on.

[From the Washington Post, Aug. 21, 1962]

EXHIBIT 1

FEDERAL RESERVE POLICIES: I

Few people are aware of the controversy over monetary policy which at the moment is still confined to the hearings of the Joint Economic Committee, and even fewer understand how its outcome can affect the future course of the American economy.

The principal antagonists are Chairman William McC. Martin of the Board of Governors of the Federal Reserve System and four Democratic members of the Joint Economic Committee, Messrs. WRIGHT PATMAN, PAUL H. DOUGLAS, WILLIAM PROXMIRE, and HENRY S. REUSS. In the most recent hearings this group, augmented by witnesses drawn from university economics departments and banks, has carried on an animated discussion that has touched upon every aspect of monetary policy such as the relationship between the growth of total output and the growth of the money supply, the appropriate level of interest rates, and the challenge posed by our balance-of-payments deficits. But none of the issues were so vigorously debated as the role of the Federal Reserve System in the financing of Federal budgetary deficits.

The fiscal-monetary issue was joined when Mr. Martin declared that "such deficits as we may experience, whether they are due to a shortfall of receipts under the existing tax structure, an increase in expenditures, or a reduction in tax rates, should be met by borrowing from the real savings of businesses and individuals, not through the creation of money through the banking system." This strong reiteration of an earlier statement places the FRS in direct conflict with the aims of the administration, which is pledged to tax reduction in 1963, for the purpose of stimulating economic activity.

If Mr. Martin's views prevail, the efforts to stimulate the economy by means of a tax cut would be frustrated by tight money. Tax reductions would place additional funds in households and businesses, but they would soon be withdrawn when the Treasury sold bonds to the public in an effort to finance the Federal deficit out of "real savings." Moreover, the sale of intermediate and long-term Treasury bonds would raise interest rates, thus depressing the volume of investment while the loss of reserves would diminish the ability of the commercial banks to extend loans.

While Mr. Martin softened his position during cross examination by explaining that he would not require the financing of deficits out of "real savings" on a "dollar-for-dollar basis," he nevertheless adhered to a view which equates the financing of deficits by other means with a resort to the use of "printing press money." That is a curious position in view of the process by which the bulk of the money supply is created under a system of fractional reserve banking. When a busines obtains a loan, the bank creates money by exchanging a promise to repay for a checking account or demand-deposit balance, and in that manner the banking system as a whole can create a supply of checkbook money about six times as large as the total reserves which are deposited in the 12 Federal Reserve banks.

According to Mr. Martin, it is perfectly proper for the banks to finance private indebtedness by creating money, but when one suggests that public debt be handled in the same manner he alludes to the dark dangers of printing press money. Is he suggesting that the banking system should discriminate against Federal debt? It is of course true that reckless use of the bank-financed public debt would lead to inflation, but the very same stricture may be placed against bank-financed private debt.

Few if any of Mr. Martin's critics are wild-eyed proponents of inflation or fiscal irresponsibility. They ask only that he cooperate in executing the monetary aspects of a compensatory economic policy or provide a more cogent rationale for his reluctance to go along.

Mr. PROXMIRE. Mr. President, the Senator from Connecticut discussed the lead editorial in the Washington Post of this morning. I read that editorial. I thought it was an excellent editorial, to the point, and sound. The fact is that there are times when we should finance our deficit through bank financing. There are times when we should not. There are periods when the times are inflationary. There are periods when the times are not inflationary. Now there is a high degree of unemployment. We are utilizing but 85 percent of our industrial facilities. Under those circumstances it seems sensible to have a moderate increase in the monetary supply. This is all the editorial in the Washington Post suggested. I think it makes sense. I disagree with the position expressed so ably by the Senator from Connecticut.

TRADE SURPLUS RISES TO $5 BILLION RATE

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from today's Washington Post, pointing out that the favorable balance of trade has grown to $5 billion in the first half of this year, be printed at this point in the RECORD. This is a real accomplishment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRADE SURPLUS RISES TO $5 BILLION RATE

Increased trade in manufactured goods was the major factor contributing to record exports and imports in the first half of 1962, the Commerce Department said yesterday, according to the Associated Press.

Exports of domestic merchandise reached a peak annual rate of $20.9 billion in the first 6 months of the year. This represented an increase of $700 million over the rate for the last half of 1961.

Imports increased by $200 million to an annual rate of $15.9 billion.

The gain in exports over imports was equal to $5 billion on an annual rate.

[Although the United States regularly enjoys a surplus in foreign trade accounts, it also suffers a chronic deficit in its balance of international payments. This is because loans and grants to foreign nations, maintenance of oversea military personnel, private investment abroad and the excess of American tourists dollars spent overseas over foreign tourist expenditures here more than offsets the trade balance. This outgo is expected to top $6 billion in 1962, thus wiping out the $5 billion trade surplus and leaving the Nation with a predicted $1 billion deficit.]

Of the $700 million gain in exports, $600 million reflected an increase in shipments of finished manufactured goods, which set a record of $11.9 billion.

Manufactured goods accounted for all of the increase in imports, as they rose by $300 million to $5.8 billion.

JOE PFISTER NAMED COLUMBIA SHEEPMAN OF THE YEAR

Mr. McGEE. Mr. President, I wish to call attention to the selection of a citizen of my State, Joe Pfister, of Node, Wyo., as Columbia Sheepman of the Year. I ask unanimous consent that an article on the subject which appeared in the Wyoming Wool Grower of July 12, 1962, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOE PFISTER IS COLUMBIA SHEEPMAN OF THE YEAR

At the recent annual meeting of the Columbia Sheep Breeders Association of America, Joe Pfister, Node, Wyo., was named Columbia Sheepman of the Year. Since he bought his first flock in 1947, Joe has never ceased doing everything possible to improve his own flock and to promote the Columbia breed. Never has there been a purebred livestock producer more dedicated to his breed than Joe, nor one who works harder to improve it.

Joe is assisted in his Columbia enterprise by his wife, Lenore, and two sons, Charles, 11, and Johnny, 8. The Pfister Columbia flock is definitely a family affair, for Lenore and the boys are as enthusiastic about Columbias as Dad is. The entire family is almost always present at any Columbia show or sale and take an active part in helping exhibit the animals.

The boys take an active interest in the Columbia breed and both own sheep. Charles uses his Columbias in 4–H work and Johnny for his future 4–H work.

Joe's outstanding record with both his show and sale sheep has brought him a national reputation and won him the respect of Columbia breeders everywhere. His quickness to smile, friendly manner, and winning personality have made him popular with other breeders even in the most heated competition.

Joe has often been referred to as the "Lamburger King." This stems from the public relations work of introducing a portable lamburger stand at his local county ram sale, and also at the Wyoming State Fair, Douglas, Wyo. Through the publicity and attention from Joe's lamburger program, he has encouraged more people to talk about and actually eat lamb.

The entire lamburger program was unique in that it was a case of sheepmen trying to help themselves out of a predicament (poor lamb prices and lamb hard to sell over western meat counters), rather than relying on a Government program or others to do the job for them.

Joe is a charter members of the Wyoming Purebred Columbia Sheep Association and has attended all except one meeting, which was due to illness. He has served as president 4 years and has been active on the board every year.

On the national level, Joe has attended all meetings except one, and takes active sincere interest in all of the business and programs of the association. He has served on committees on the national level and was again called on this year to head up a national committee.

Joe has a long and impressive show record in both sheep and wool which few Columbia breeders can excell.

As a 4–H member and as an adult breeder, he has shown sheep and wool at major shows and fairs from Portland, Oreg., to Kansas City, Mo., over the past 25 years.

Joe has the distinction of being the oldest continuous exhibitor of any kind of livestock at the Wyoming State Fair. He has shown sheep at this event every year since 1938.

His Columbia sheep and fleeces have established an amazing record of winnings at the Wyoming State Fair, which has been one of the largest and most competitive wool and breed sheep shows in the United States over the past 10 years. Joe showed his first Columbias at the Wyoming State Fair in 1948. In 1950 he showed his first champion ram at this event. He repeated this achievement for the next 10 years. He also has shown the champion ewe five times, the first-place Columbia flock five times, the first-place get of sire three times, and the reserve ram once.

He also has a very impressive record of wins at the National Columbia Show and Sale. He first took sheep to this event in 1949 and has shown sheep at the National every year since. He has won the champion ram award two times, the reserve champion ram twice, the champion ewe once, and the reserve champion ewe once. His pens of three ewes have won the championship twice and the reserve championship four straight times. Probably the most oustanding achievement he has made at the National is that in the 12 years his sheep have been shown in this event, only twice has an animal placed below eighth. When one considers that the classes range from 15 to 40 entries in class, it is easy to see that Joe's Columbias always compare very favorably with the absolute best.

There is not enough room to list the winnings of Joe's Columbias at the many fairs and sheep shows where they have been shown. However, wherever his Columbias have been, they have won a major share of the championships and top awards.

Pfisters' Columbia fleeces have walked away with championship ribbons and other awards in top wool shows all over the country, bringing much fame to both Joe's flock and the Columbia breed in competition with fleeces from other major breeds. Joe's fleeces have been shown at the National Western Stock Show in Denver, the American Royal at Kansas City, the Pacific International at Portland, the Northwest Nebraska Wool Show at Crawford, Nebr., the Wyoming State Fair, and at various county fairs and local shows.

Joe has shown Columbia fleeces at the National Western Stock Show for many years, and they have won many top awards there. In 1961, he made a complete sweep of this wool show, winning the grand champion and fleece awards of the entire show (all breeds and classes). He also won the champion Columbia fleece and the champion ram flock fleece. His entries placed first in the best five fleeces shown by one exhibitor, first in the best four fleeces shown by one exhibitor, and first in the farm flock one-half, three-eighths, and one-fourth blood classes. In 1959 he showed the champion Columbia ram fleece and the reserve grand champion fleece of the show. In 1955, he showed the Columbia farm flock fleece.

At the Wyoming State Fair he has entered fleeces every year since 1952. He has exhibited the grand champion fleece of this show four times and the reserve grand champion five times. Since 1958, he has exhibited the champion Columbia ram fleece every year. He has won the champion Columbia ewe fleece twice, the champion farm flock fleece three times, and the champion farm flock ewe twice. An example of how Pfister fleeces often sweep a wool show came in 1959 and 1961. His Columbia fleeces won the championship in every department in which they could be entered, including the Columbia breed, farm flock, and overall classes. No other breeder has ever accomplished this feat in the past 15 years.

Joe is a valued member of the Wyoming Wool Growers Association and has been a consistent consignor at the Wyoming ram sale.

An outstanding 4–H Club member as a youth, Joe is now involved in his eighth year as a 4–H Club leader. His advice, counsel, and help in leading 4–H boys and girls in sheep projects and his help in many 4–H activities has been of immeasurable assistance to the 4–H program.

He has judged 4–H sheep showmanship contests at county fairs for many years and is considered the best at sheep showmanship contests. A master at fitting and showing sheep himself he has presented many demonstrations on fitting and showing sheep to boys and girls not only in his county, but in adjoining counties as well.

For the past several years he has given of his knowledge of wool, in helping train 4–H members in wool judging. A capable wool judge himself, he has been of great help to his community in this activity.

Joe has furnished excellent classes of Columbias for livestock judging training every year since he began breeding them. Joe is never too busy to take time out to provide sheep for judging training, often hauling them many miles to where judging training meetings are held. He has started many 4–H boys and girls with good Columbias. He has bred their ewes when they could not afford a ram, and sold them top stud rams at reduced prices. No problem is too small for his undivided attention in working with boys and girls, and he takes a sincere interest and pride in their progress. He is indeed a top 4–H leader and the 4–H program owes much to this cooperation, knowledge, and assistance.

The most outstanding feature of Joe Pfister's career and his success as a Columbia breeder, is the fact that this was attained entirely through his own hard work, perserverance, and ability. From a very small beginning and with very little or almost no financial assistance, he has built an outstanding flock of Columbia sheep of national prominence in a short space of 15 years.

Columbia's are not only his business, they are the hobby and the lifework of Joe Pfister, Columbia Sheepman of the Year.

AGRICULTURE PROBLEMS

Mr. McGEE. Mr. President, for too long the problems of the American farmer have been compounded by the refusal to face the hard facts of agricultural economics in the United States.

The truth is, if we will admit it, that the American farmer is caught in a vise that effectively eliminates any possibility of his survival on the open world market. The two jaws of this vise are the low world market price on one hand and the high protected price of all the equipment he must buy on the other. In short, our farmers must sell their crops at low world prices while almost everything he buys costs more than it would any other place in the world. In the jaws of this vise the individual farmer, the family farmer if you will, cannot exist without some help. And providing that help is the express purpose of our farm program.

Unfortunately, Mr. President, our present farm program has not taken into account the ingenuity of the American farmer. Typical of traditional American enterprise he has learned to grow more and more crops on less and less land, and we wind up with not only low prices but large surpluses.

Since we cannot eliminate the individual farmer by throwing him to the mercy of the open market, we must devise a pro-

gram that will give him the needed protection at the lowest possible cost to the taxpayer. Mr. President, I believe such a program can be found in the combination of rigid support prices and strict crop controls. There is little need for argument to demonstrate the need for crop supports.

Despite the protestations of some farm groups for a return to free markets, a look at the world price for grains as compared with what our farmers insist they must have to survive, should convince everyone that to eliminate these supports would be to eliminate the individual farmer.

I am not pleased with the prospect of the continuation of price supports but this fact—a necessary evil—is far superior to the alternative, which is the industrialization of our farms into huge combines where machines and a very few men control vast acres with effects upon farm production quality and prices that are a nightmare to the imagination.

Since a large segment of American agriculture is dependent upon price supports for its continued existence, it is only fair that as the farmer needs protection on prices he accept it in its least costly form. To do this he must accept production controls.

To me the height of folly is to support prices without regard to production so that in turn we may give the taxpayer the privilege of paying storage costs on large farm surpluses. The advantages of production controls—strictly applied—are obvious. We may spend the same amount in supporting the concept of individual farms but save the large expense of crop storage. Thus, we can reduce our surpluses to manageable levels and do away with a program that by its very size and complexity has lent itself to the machinations of those who would abuse their trust and seek dishonest profit at the public's expense. Also this program would take land out of production, thereby preserving its potential for the future when all our agricultural resources may be needed or allowing its conversion to badly needed recreational or watershed uses.

The criticism of this program is, of course, that it inflicts tight Government controls—regimentation is a favorite word—on a segment of our free economy. And I say that this is certainly true. But I also say that freedom from these controls is freedom to leave the farm and head for the city to find a job. To remain on the farm, the farmer needs a supported price which he should accept in the least expensive and most efficient manner. Growing mountains of unneeded grains is not what I regard as efficiency.

I have stated that the prime consideration in price support legislation is the preservation of the individually owned and operated farm. In other words, we are attempting to preserve the job of being a farmer. To me a farmer is someone who works full time at the job of farming—who spends his time on the land working it for what best he can produce. However, there are many persons who benefit under present farm legislation who do not fit this definition. They are what I would call the "briefcase" farmer. For them owning and operating a farm is a diversion, a recreation, or a means of acquiring a beneficial tax writeoff. In any event, farming is not their full-time occupation.

I am not opposed to a businessman finding rest and relaxation on a farm, nor am I opposed to his acquiring a "place in the country" for his family or in his search for status. I am opposed to his accepting Federal supports, designed to keep the full-time farmer in business, for what to him is an unessential diversion. And I find the Government twice burdened by the man who operates a farm as a tax writeoff. The spectacle of subsidy payments to a man perpetrating a scheme to escape his just taxes is most unpleasant. There I would suggest that the Congress consider limiting farm supports to bona fide farmers.

The bill now under consideration in the Senate does not take up all the points which I have mentioned here. It does, however, represent a considerable start toward what I would hope is an efficient approach to our farm problems. The mandatory feed-grain program was, I believe a constructive approach to one of our most perplexing surpluses. I am extremely disappointed to hear that it has been abandoned. The alternative, extension of the voluntary feed-grains program, has shown surpluses can be reduced by crop controls. But in this case, the incentive payments will soon run into astronomical figures unless the plan is superseded by a mandatory program. I reluctantly support this alternative, however, because the other choice is a return to the law of 1958 which was responsible for the rapid growth of the feed-grain surplus in the first place. I note that those who oppose the mandatory program are the same people—members of the same party—who have attempted to make an issue of fiscal responsibility in our Government.

Mr. President, I am in favor of fiscal responsibility as is the party I represent; and I suggest that here is a good time for some members to practice what they preach. I also would note that these same people, who now give their support to a voluntary system are in many cases the very same people who opposed voluntary plans when they first were submitted to the Congress.

Mr. President, I support another section of the bill, the wheat certificate program. This is a significant attempt to reduce our carryover wheat supplies while at the same time adjusting the program to the multimarket features of our wheat production and consumption. This bill does away with the minimum acreage requirements in existing legislation. I would point out that in the 20 years this minimum figure of 55 million acres has been in effect the yield per acre has doubled.

I am pleased to note that while reductions in wheat are calculated in terms of acreage for the farmer, he would receive his support payment on certificates based on bushel allotments. The farmers in Wyoming and much of the West do not have the abundance of rich soil and adequate rainfall that occur in other areas of the country. Therefore, they cannot, by intensive farming or the addition of more fertilizer, increase the production per acre to compensate for reduced allotments.

Mr. President, while we are considering the farm bill we tend to become wrapped up in a problem which is unique in the world and forget that it is a problem which should not exist at all. We all must remember that the real farm problem in this world is not surpluses but a critical lack of food—starvation and malnutrition would best describe the end results of much of the world's agriculture. While we here are attempting to reduce embarrassing piles of grain and devise voluntary and mandatory programs to limit production of everything from turkeys to turnips, two-thirds of the world's population—that is two of every three human beings—is not getting enough to eat.

I realize that it is necessary to solve the immediate problems of overproduction here in the United States, but it is just as imperative that we work equally hard to eliminate those many factors—tariff considerations, pricing, transportation, and many more—which prevent us from sharing our abundance with the less productive nations so that without supports and through normal trade our farmers may again earn an honest livelihood without artificial supports. Until that day we must support the individual farm and the independent farmer. But it is our obligation to those who pay for this support to effect the most efficient programs possible. Therefore, I suggest we face the facts of this problem and approve a farm bill which will do the job. I believe that the bill the Senate is now considering is a positive step toward a realistic bill, and I urge its passage.

NOMINATION OF THURGOOD MARSHALL TO BE A U.S. JUDGE

Mr. LAUSCHE. Mr. President, this morning I was shocked to learn that a subcommittee of the Committee on the Judiciary has decided to postpone indefinitely hearings on Judge Thurgood Marshall's nomination. I have spoken previously on this subject. In spite of my reluctance to take this stand, if the committee to which this nomination has been assigned for action continues indefinitely not to take action, I believe the time is practically at hand when the Senate must speak up on the matter.

It is thoroughly clear that the nomination of Judge Thurgood Marshall is not being measured with the same yardstick that has been applied to other nominees for Federal appointments. He was appointed in September of 1961. After the Senate convened, he was reappointed, to conform to the law. Practically 1 year has elapsed since this man was given an assignment to a Federal judgeship, and in this 1 year no action has been taken by the Judiciary Committee on the appointment. He is entitled to the same type of treatment re-

ceived by any other American citizen appointed to a Federal post. He is not receiving it.

I humbly suggest to the majority leader that the time has come when, for the maintenance of the honor of the Senate, action should be pursued, and, in my judgment, the committee relieved of further consideration of the nomination, and that it be assigned directly to the Senate for action.

Mr. MANSFIELD. Mr. President, I appreciate what the Senator from Ohio has just said, and insofar as the leadership is concerned, we intend to make every effort to get the nomination to the floor before Congress adjourns, and, we hope, acted upon.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I am of the opinion that the Senator from Ohio may be in error. While I am not a member of the subcommittee, I have been following the matter very closely. I believe it may have concluded testimony yesterday morning. It now remains for the subcommittee to report the nomination to the full committee, either with or without recommendation.

I have discussed the matter with other members of the Judiciary Committee on the other side of the aisle. It is our hope that we can get the nomination to the full committee at its very next meeting for consideration, and have a report to the Senate, so that, if there are any objections, if any Senator wants to discuss the case at length, it can better be done here than in committee. So, speaking as a member of the full committee, I am most anxious that we get the nomination to the floor without delay.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I hope the Senator from Illinois is correct. The announcement was made on television this morning that there had been an indefinite postponement of action. I made my statement on the basis of that information. I am glad to hear what the Senator from Illinois has said, and, of course, what the majority leader has just said on the subject; but the fact is that the delay is too great even as of now, in my judgment.

Mr. DIRKSEN. I agree with the distinguished Senator from Ohio. I may add that I discussed this matter yesterday afternoon with the chairman of the Judiciary Committee, and I know he believes as I do with respect to this delay.

Mr. MANSFIELD. I am extremely heartened by what the minority leader has just said. I hope it will be possible very shortly to bring the nomination to the floor for consideration and debate.

Mr. HUMPHREY subsequently said: Madam President, earlier today the distinguished Senator from Ohio [Mr. LAUSCHE] made a comment with reference to the failure of the Senate Committee on the Judiciary to accord to the nomination of Mr. Thurgood Marshall the same standards and the same consideration that had been accorded other nominees. The Senator expressed due and proper concern over that situation. I did not have the opportunity then to join with the Senator and express my concurrence and support of the opinions and attitudes which he expressed.

I say to the Senator from Ohio that all nominees whose nominations are before any committee in which there is a process of confirmation should be accorded equal rights, equal privileges and equal treatment. I believe that if we examine the nominations considered by the Judiciary Committee, we will find that Thurgood Marshall has been tested, interrogated, and screened far more assiduously and intensely than most other nominees. I wish to make it quite clear that as one Senator I will do everything I can to assure that Mr. Marshall is given fair, responsible, and equal treatment, and that the question of the confirmation of the nomination is brought before the Senate for the purpose of a yea-and-nay vote. Mr. Marshall has a right to know whether or not his nomination will be confirmed by the vote of the Senate.

He should not be subjected to delaying tactics, if that is the case, by any committee or subcommittee. I wish to join with the Senator from Ohio and other Senators who have expressed concern over this subject. The majority leader has given to the Senate very reassuring words. I know it is his view, as he expressed it, that the Senate will work its will on the nomination of Thurgood Marshall. Judging from what I know of his background and his competency, Thurgood Marshall is a good man. His nomination should be confirmed. Unless there is information to the contrary, I would support him, and do support him actively and willingly. I hope his nomination will be before the Senate promptly. There are ways of getting the nomination before this body, and those ways have been used before.

Mr. YOUNG of Ohio. Madam President, I compliment the distinguished senior Senator from Minnesota on his statement.

In my judgment there is no reason why the Committee on the Judiciary should not have reported the nomination of this fine judge to the Senate. I hope that very shortly the nomination will be favorably reported and will be confirmed by the Senate. As the distinguished Senator from Minnesota has stated, a yea and nay vote should be had on the nomination, so that we may stand up and be counted. I am sure that the overwhelming majority of the Senate will vote to confirm the nomination of this fine loyal American and experienced lawyer and judge to the position to which he has been nominated by our President.

Mr. HUMPHREY. Madam President, if the Senator from Minnesota has any influence whatsoever in the councils of the Democratic Party, this nomination will be brought before the Senate so that each Senator may cast his vote. Thurgood Marshall is entitled to that consideration. He has already suffered enough indignities. It is our duty as well as our privilege and responsibility to act one way or another on this nomination. I find in Thurgood Marshall a good man, a competent man, one who is entitled to assume the responsibility of being a Federal judge, to which position he has been nominated by President Kennedy.

Mr. YOUNG of Ohio. I am glad to hear the Senator say that. I know he will do what he can to expedite consideration of this nomination.

Mr. HART. Madam President, I was not in the Chamber at the time the majority leader addressed himself to the subject of the nomination of Thurgood Marshall to be a judge of the court of appeals for the second circuit. I heard the distinguished Senator from Minnesota say that the majority leader had expressed concern at the delay in reporting the nomination, and his determination that the Senate shall be given an opportunity to act on the nomination. I am delighted to hear that.

I am not a member of the subcommittee considering the nomination of Thurgood Marshall, but as a member of the full Committee on the Judiciary, I have sat with the subcommittee in its deliberations, as has the distinguished junior Senator from New York [Mr. KEATING]. As I said yesterday, when someone gets around to writing a book on the weird performances of the Senate, most assuredly one chapter will recite the case that we are now discussing; namely, the nomination of Thurgood Marshall, the consideration that was given to it, and the time that was taken on it. I am sure the happy last paragraph will show the confirmation of the nomination of this distinguished member of the American bar.

The suffering will be less that of Thurgood Marshall than of the Senate. Spending months looking for flaws in the professional integrity of this man is like spending months looking for an elephant in a bathtub; his integrity is either there or it is not there on the day the nomination is made. I do not know of any other living member of the American bar whose batting average before the Supreme Court is as high as that of Thurgood Marshall. In that, of course, lies some of the problem. The Senate cannot continue to fumble and fuss over this nomination. Thurgood Marshall's place in American jurisprudence is long established.

I restrain myself with great difficulty lest I comment upon the scene in which some lawyers have been attempting to determine whether Thurgood Marshall qualifies as a judge. Let us be through with this business. Let us write the ultimate paragraph, which is confirmation of the nomination. I would be hard pressed to find a name in the brilliant list of able American lawyers which could successfully contest the claim which Thurgood Marshall would never make but which can be made for him, namely, that he is as brilliant a member of the American bar as there is alive today.

I am delighted that the majority leader has indicated that we shall soon be about this business. I trust, as I know the distinguished Senator from New York [Mr. KEATING] does, that our committee will act promptly and respon-

tax, for those in the low-income brackets, from $600 to $1,000. I was defeated in that attempt—which was not a new experience for me in the Senate, because I well understand the importance of having liberals at least challenge proposed legislation which cannot be defended on its merits, even though we may be overridden by powerful political forces in the Congress. Finally a vote was reached—not on my proposal to increase the exemption to $1,000; I could not succeed in having it voted on—but on my subsequent proposal to increase the exemption from $600 to $800. Again, I was defeated. However, time subsequently proved that I was right, both in regard to my proposal to increase the exemption to $1,000 and in regard to my subsequent proposal to increase the exemption to $800.

As I said earlier today, I think now is the time for tax reduction. I do not think the U.S. taxpayers should have to wait until January for some undetermined tax reduction program, insofar as its specifics are concerned, to be presented to the Congress some time after January by the President of the United States. I think the President should offer a tax reduction program now. If he does not offer it before Congress adjourns, I think he should promise the American people that Congress will reconvene in the week immediately following the election, and will then take up the tax issue and also some other issues which are of great importance to the American taxpayers.

Again I raise my voice in the plea that the Government take steps, either now or immediately following the election, to do a better job of protecting our economy, which is our greatest defense weapon.

In view of the announcement yesterday that our national debt is now more than $300 billion, when we realize that the combined national debts of all the other free nations of the world are somewhere in the neighborhood of $204 billion, or $96 billion less than the total national debt of the United States, we had better stop, look, listen, and ask the question, Where are we going in connection with vast expenditures abroad? This is a proper question, particularly when we know that the good economic condition of many of our allies—far better than it was before World War II—is due to the largesse of the American people, through their Government, in fulfilling a clear moral obligation which we owed our allies, in order to protect them from the danger of being overridden by communism following World War II.

We have fulfilled that obligation, and we now need to take a look at the economic needs of our American taxpayers. We have a right to make clear to France, West Germany, England, Italy, Portugal, Australia, New Zealand, Canada, and a good many of our other allies that the time has come for them to assume a greater share of the financial burden of protecting freedom around the world.

The American people have a right to ask the question of the politicians in Congress, "When, oh, when, are you going to take a course of action on monetary matters in the Congress that will protect our best economic interests?"

When I consider the great economic needs of the American people, when I take a look at the problems of slum clearance that confront the public, and the housing needs of millions of fellow Americans in the low-income brackets, I must say to the State Department, "You do not move me when you come before the Foreign Relations Committee, as you did this morning, and ask for funds to build luxurious embassies and chanceries in various places around the world."

We have an opportunity to demonstrate to the other nations of the world the meaning of the word "economy." It is long past time for us to economize in some of our expenditures abroad. We should use our money not only in connection with reducing our national debt, but in connection with meeting some of the dire emergency needs of millions of American people right here at home.

I intend to do what I can to focus the attention of the American people on our own domestic problems in connection with appropriation bills. I hope the Appropriations Committee, when it makes its reports to the Senate in the dying days of the present session, will be able to demonstrate to us that they have cut our foreign expenditures to the bone. I know what the lobbies are doing. Some of the lobbyists want more and more money to go into foreign aid, because they find they can make profits out of foreign aid expenditures abroad. Interestingly enough, much of the money made in that way is tax exempt. The way expenditures abroad are manipulated, they constitute a tax dodge for many companies. They get it both ways. Leave it to the lobbies to figure out ways and means to profit. There is only one way to handle the problem, that is to cut to the bone every dollar of expenditure abroad, and return in January for a complete reevaluation and reappraisal of our expenditures abroad. We should start taking care of some of our own domestic needs. Senators know very well what I mean when I speak of our own domestic needs. Not only do I speak of the needs of slum clearance and a crash housing program, but the development and conservation of our natural resources for the benefit of future generations of American boys and girls. Many of God's gifts of natural resources are in a deplorable plight because of inaction on the part of the Government.

It seems easy to put through Congress a bill to authorize, and then a bill to appropriate money for the building abroad of roads, dams, schools, and many other things which are sorely needed at home, and for which we cannot have funds appropriated. We seem to be able to appropriate funds for building such facilities abroad.

The Senator from Oregon does not take the position that a reasonable foreign aid program is not justified, but he does take the position that we have passed the time when the foreign aid program should be predominantly a United States program, for all of our allies have the same stake in the preservation of freedom that the United States has. But so long as we are willing to foot the bill, so long as the Congress acts as a rubber stamp and goes along with proposals to foot the bill, we can be sure that England, France, West Germany, Italy, Portugal, Australia, New Zealand, Canada, and other countries will let Uncle Sam do it.

I am satisfied that the American people are thinking about this problem as they have never thought about it before. I am satisfied that increasing tens of thousands of taxpayers in this country are beginning to ask some very difficult questions for the politicans to answer, if they attempt to answer them in justification of their voting records in the Congress of the United States. The American people are beginning to understand that the only test of a politician is, after all, his voting record.

I would have the American people take a long look at the voting records of politicians. I would have the American people hold to political account candidates for office in respect to their voting records, and make perfectly clear to such candidates that the time has come for the politicians to protect the economy of this country. It is not going to be protected by the kind of legislation which was before the Foreign Relations Committee this morning. It is not going to be protected by the shocking waste that has honeycombed the foreign aid bills already authorized. Therefore, the Appropriations Committee has a very great responsibility in the preparation of appropriation bills for the Senate between now and adjournment.

The Senator from Oregon never finds himself happy in such opposition as he has expressed again today to his administration; but in this instance his administration is as dead wrong as it was on the satellite bill the other day. The people of my State did not send me to the Senate to rubberstamp any administration, including the administration of my own party, if, in my judgment, after study, I am convinced that my administration is wrong on the facts. The responsibility I owe to my people is to follow where the facts lead. In my judgment the facts lead in an opposite direction from that of the administration on such issues as the satellite bill, the foreign aid bill, and the bills which came before the Foreign Relations Committee this morning.

Regardless of what political consequences may be in store for me in exercising my independent judgment, I intend to follow where the facts lead. If partisan politics are not going in the same direction, it is just too bad for partisan politics.

MILITARY SERVICE OF MEDICAL SCHOOL GRADUATES

Mr. KEATING. Mr. President, at the April meeting of the Association of Professors of Medicine, a great deal of time and thought was given to the present method of drafting recent graduates of medical school into the military service.

A resolution was passed embodying the recommendations of the Association of Professors of Medicine.

Mr. President, I ask unanimous consent that a copy of this resolution appear in the RECORD following my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION BY ASSOCIATION OF PROFESSORS OF MEDICINE

The Association of Professors of Medicine, an organization comprised of the chairman of departments of medicine of all accredited U.S. medical schools, recommends that:

1. Selective service increase liberally the number of young physicians who are deferred from military service for at least 1 additional year beyond internship. Such a policy will allow better medical care in the approved hospitals, better organization of postgraduate training in medicine and improved preparation of physicians for better general military practice.

This plan of an additional year of deferment beyond internship is not proposed to replace the existing Berry plan, which allows training of young physicians for specialty practice in the Armed Forces.

2. The induction date for military service for physicians should be on or about July 1 of each year, with at least 3 and preferably 6 months preinduction notification period.

3. Because of the important responsibility of its members in graduate medical education, the Association of Professors of Medicine should be represented on national advisory committees dealing with the distribution and utilization of the medical manpower of the Nation.

ENLISTED MAN'S ARMED FORCES OATH

Mr. KEATING. Mr. President, I have received a copy of a resolution adopted recently by the Queens County chapter of the Catholic War Veterans and passed unanimously at their regular chapter delegates meeting on August 8. This resolution endorses H.R. 218, 87th Congress, as passed by the House, which would amend the existing Enlisted Man's Armed Forces Oath by adding the phrase, "to support and defend the Constitution of the United States of America," and a closing phrase, "so help me God."

Mr. President, I ask unanimous consent to have this resolution printed in the RECORD following my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION BY QUEENS COUNTY CHAPTER, CATHOLIC WAR VETERANS

RESOLUTION ENDORSING AMENDMENT TO THE ENLISTED MAN'S ARMED FORCES OATH

Whereas the current oath being administered to persons enlisting in the Armed Forces includes no obligation to support and defend the Constitution of the United States of America, and no opportunity to invoke the help of Almighty God in rendering faithful service in defense of the United States; and

Whereas the words "So help me God" are not a part of the obligation assumed upon taking the oath: Now, therefore, be it

Resolved, That the Queens County chapter of the Catholic War Veterans of the United States of America, Inc., at a regular chapter delegates meeting, endorse H.R. 218, 87th Congress, as passed by the House which amends the existing law to include these important additions: "to support and defend the Constitution of the United States of America," and a closing phrase, "So help me God."

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Madam President, I send to the desk my amendment designated "8–20–62—F."

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 56, between lines 2 and 3, to insert the following new section:

SEC. 305. (a) The Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b) of section 105 and inserting in lieu thereof the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not to exceed 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

(b) The Secretary of Agriculture is directed to consult and advise with farmers, farm organizations, and such other persons or groups of persons as he determines concerning the need for new legislation for feed grains, to the extent he deems such consultation and advice necessary or desirable, and to make specific recommendations for feed grains in the form of proposed legislation which shall be submitted to the Congress as soon as practicable during the next session of Congress.

Mr. ELLENDER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Madam President, is there an amendment pending before the Senate at the present time?

The PRESIDING OFFICER. The amendment of the Senator from Louisiana is pending.

Mr. MANSFIELD. Madam President, may we have a vote on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. ELLENDER. Madam President, this amendment would repeal the feed grain price support provisions of the Agricultural Act of 1958 and provide, instead, for support of the price of corn at such level, not exceeding 90 percent of parity, as will not result in any increase in CCC stocks. It would be effective beginning with the 1964 crop.

The 1958 act requires support for corn, with unlimited production, at 90 percent of the previous 3-year average price, but not less than 65 percent of parity. It also requires that the other feed grans be supported at levels fair and reasonable in relation to corn. My amendment would provide for corn price support at 0 to 90 percent of parity, and at a level within that range which will not result in further surplus accumulations by the Government. Support for the other feed grains would be discretionary at 0 to 90 percent of parity under title III of the 1949 act.

Madam President, although I am sorely disappointed, it appears to me that the Senate, like the House, is not now disposed to accept the very realistic and reasonable feed grain program that I have been advocating.

The feed grain program, which I had a large hand in devising, put it squarely up to farmers themselves as to whether they wished to accept strict controls or whether they preferred no controls. I might remind Senators that strict controls would not have gone into effect unless and until two-thirds of the farmers voted in favor of them.

S. 3225, as passed, was devised on the one hand to protect farmers if they so wished protection, and on the other hand to protect the Government whether farmers did or did not wish controls. The feed grain program would have provided for strict controls with high price supports or no controls and supports at a so-called free market price level. Farmers would have chosen which route they had wanted to go. The taxpayers of this country would have been protected in either case because the Government would not have been required to purchase and store huge quantities of feed grains which are not needed and cannot be used.

Senators will remember that the carrying charges on freed grains and wheat last year amounted to $900 million. This is an astronomical sum and, in my opinion, it is money that need not be spent by this Government. Fiscal responsibility demands that this Senate protect the taxpayers of this country from the expenditure of huge sums which can be easily avoided.

I placed information in the RECORD which shows that the feed grains and wheat programs I proposed, and the Senate adopted on May 25, would have saved the taxpayers a billion dollars in 1963. Under that program, the Government would finally have been able to get out from under farm programs which have required the accumulation of huge stocks of agricultural commodities in Government hands.

I am a realist and I can see that a program such as I envisioned being placed on the statute books is not now acceptable. It is evident that the Congress refuses at this time to give farmers

the chance to vote as to whether or not they wish strict controls.

Under these circumstances responsibility demands that some action be taken to protect the taxpayers from the further accumulation of excess stocks of feed grains. Unless some action is taken the program that will go into effect in 1964, and thereafter, will be the 1958 law under which farmers are guaranteed high price supports but have no responsibility whatsoever regarding production. In other words, farmers could produce as much as they wished and the Government would have to buy all that would be produced in excess of market requirements. To me this is the height of fiscal irresponsibility. In my judgment this Congress must take some action in order to protect the taxpayers who, in my estimation, carry a heavy enough load as it is.

In early 1961 we enacted a so-called emergency program for feed grains to be effective for 1961, under which farmers were paid for not producing. Later on this Congress extended the so-called temporary feed grain program for 1962.

At the end of the first full year's operation of the emergency feed grain program estimates indicate that the carryover of feed grains has been reduced by about 12 million tons. If the same conditions prevail this year, the carryover will be reduced by another 12 million tons in 1962. While this is a noteworthy achievement, I feel that the total carryover stocks, which I estimate at this time to be about 61 million tons at the end of 1962, is still too high, particularly in view of the fact that most of these stocks will be owned by the Government.

Therefore, in view of the fact that this Congress refuses to give farmers a choice as to whether or not they wish strict controls, I am proposing first, that the so-called emergency feed grain program be extended again through 1963. If conditions remain similar to this year's, carryover stocks at the end of the 1963 marketing year will be about 49.6 million tons. This level is only slightly higher than the carryover in 1956, which amounted to 48.8 million tons, and is more in keeping with our carryover requirements.

While Government expenditures under the emergency feed grain program will be higher than under the program I had previously advocated, there will still be less than if the 1958 act were again to become operative.

Second, in conjunction with the extension of the emergency program for 1963, I am also proposing that for 1964 and thereafter farmers be given the complete freedom which apparently this Congress wants them to have. At the same time, I am assuring that this Government will be protected from the drain on tax dollars which we need so desperately in other areas.

I am also proposing that Government price supports for feed grains be set at between 0 and 90 percent of parity assuring that the Government will not have to take over excess supplies. I do this in order to protect the Government from the expenditures of unnecessary dollars spent in purchasing feed grains as it has done in past years. Under this program farmers will have complete freedom to plant as they wish and to sell as they wish except that sales to the Government would be minimized.

This Government has spent billions of dollars in supporting the price of feed grains in the past years and I do not propose that this Government shall continue to expend such huge sums. In my estimation it would have been much preferable had this Congress seen fit to give farmers a choice as to whether or not they wish to accept strict controls with high price supports or no controls with low price supports.

In refusing to give farmers a choice, it appears that the only alternative left is discretionary supports. At the same time, I want to assure the taxpayers of this Nation that they are protected fully in that the Government will not have to purchase surpluses produced in excess of our needs. It appears to me that this is the only alternative left for this Government to take. That is to protect itself in the face of unlimited production.

Mr. HART. Madam President, I call up my amendment "8–20–62—E" and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 94, between lines 12 and 13 it is proposed to insert the following:

SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": *Provided*, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

On page 94, line 13, strike out "404" and insert in lieu thereof "405".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan to the committee amendment.

Mr. ELLENDER. Madam President, the amendment offered by the distinguished Senator from Michigan was agreed to unanimously by the Senate when the bill (S. 3225) was considered by the Senate in May. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan, to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. ELLENDER. Mr. President, on behalf of the Senator from Arkansas [Mr. FULBRIGHT] I send to the desk an amendment which was also agreed to unanimously by the Senate when S. 3225 was before the Senate.

The PRESIDING OFFICER (Mr. METCALF in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 91, line 21, it is proposed to strike out the word "and".

On page 91, line 24, it is proposed to strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 91, between lines 24 and 25, it is proposed to insert the following:

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. ROBERTSON. Mr. President, last month I offered an amendment that would restore to the bill a provision contained in the House bill relating to the support price for corn in 1964. The amendment was designated as "8–3–62—A." I offered the amendment because if the bill as reported to the Senate had been passed, after 1964 the support price for corn would be cut back to about 54 percent of parity based upon the 80 percent of the 3 previous years. We know that the support price for corn has been very expensive. It has reduced the consumption of corn. The total utilization of corn increased 1,112 million bushels in the 5 years since 1956, whereas it declined 48 million bushels in the 6 years from 1950 to 1956.

However, the Senate has just agreed to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], which would repeal the 1958 act with respect to feed grains. The support price of feed grains under that act, as I recall, would be higher than under the present emergency act. We would go back to the 1958 situation when there were no controls whatever. It would be a more expensive program.

Mr. ELLENDER. Oh, yes. The 1958 act provided for unlimited production with a guaranteed price support.

Mr. ROBERTSON. Yes.

Mr. President, I sent to the desk in July an amendment relating to wheat, designated "7–23–62—A." I call up that amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, at the end of subtitle B of title III of the bill, it is proposed to add a new section as follows:

SEC. . Section 333 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with the 1964 crop of wheat by striking therefrom the following: "The national acreage allotment for wheat for any year shall be not less than fifty-five million acres."

Mr. ROBERTSON. Mr. President, the farm bill of 1949, to which I referred yesterday, was what we called a continuation of the rigid support price program. It required a 75-percent support price for wheat. Later we fixed the minimum acreage of wheat at 55 million acres.

As I pointed out yesterday, in recent years the per acre production has been

more than twice what it was when the acreage was fixed at 55 million acres.

The program has been very expensive. The use of wheat for feed has declined from 150 million bushels a year to less that 50 million.

We have been exporting wheat under the provisions of Public Law 480. The Senator from Louisiana has said that that program has cost us almost $7 billion in soft currency for surpluses. Then we financed the export of wheat with sound money at 65 cents a bushel. We have given away abroad some of the soft currency received in the exportation of wheat. The CCC has a total of $2,124 million invested in wheat and loans outstanding in the amount of $392 million.

I should like to state what my amendment would do. After 1963 there would be no minimum wheat acreage at all. If there is a support price, the Secretary of Agriculture would fix the acreage so that the program would not be as expensive as it has been in the past. The distinguished chairman of the committee, in handling the bill on the floor of the Senate, told me yesterday that he did not personally have any objection to my amendment, because it would be a move in the direction of reduced costs of the uncontrollable surplus which we have had in the past, and also would return our farmers to a program of private enterprise. We know that when we were not placing one red cent of subsidy behind the wheat farmers, they not only produced enough wheat to feed our Nation, but also exported about 20 percent of what they produced. Each year wheat was exported abroad for sound money. Now we export none of it for sound money. We subsidize wheat at 65 cents a bushel. In effect we are giving away a great deal of it and still have on hand more than we know what to do with. The distinguished chairman said that the Senate would not agree to my amendment. I cannot be too sure that the Senate will. I offer the amendment and ask for a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ELLENDER. Mr. President, I hesitate to oppose my good friend from Virginia on this amendment. We have a wheat section which will have almost the same effect. The Senator's amendment is more or less in conflict with the wheat provision which the committee adopted. Under the wheat provision contained in the bill, the minimum amount of wheat to be produced per year will be a billion bushels. By the adoption of the wheat amendment as incorporated in the bill it will accomplish about the same thing that the amendment of the Senator from Virignia would accomplish. I compliment him on presenting the amendment, which almost fits in with the provision we now have in the bill. I can assure the Senator that the language in the bill will accomplish what he is seeking to do with his amendment.

Mr. ROBERTSON. I am gratified that we are making some move toward saving some money, whether by my amendment or by what is in the bill. I am glad that we are headed for some improvement.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was rejected.

Mr. COOPER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. COOPER. I have just come in. I understand that an amendment was adopted a few minutes ago without a roll-call which would have the effect of repealing the support prices for corn under the 1958 act, which is the law now in effect, and substituting supports for corn at 0 to 90 percent of parity. Is that correct?

Mr. ELLENDER. The amendment which has been adopted would repeal that part of the 1958 act which fixes a support price at 90 percent for the last 3 years average or 65 percent of parity, whichever is higher, and in lieu of that we have provided support prices from 0 to 90 percent.

Mr. COOPER. May I ask what the purpose of the amendment is? What is the Senator seeking to accomplish by the amendment? I ask the question for clarification.

Mr. ELLENDER. We have in the bill now, adopted by the committee, a continuation of the emergency program for one more year, and at the end of that emergency there would be no price support for corn except from 0 to 90 percent, and production, of course, under that provision would be unlimited.

Mr. COOPER. That would become effective in 1964?

Mr. ELLENDER. That is correct.

Mr. COOPER. I know the purpose of the chairman, as he made very clear yesterday on the floor, is to secure, if possible, enactment next year of a compulsory feed grain program.

Mr. ELLENDER. Yes. What the chairman of the committee desires to do, and many Members of the Senate desire to do, is to repeal the law which today allows unlimited production in corn and other feed grains and sorghums and barley, without any limitation as to the acreage.

Mr. COOPER. I do not believe the chairman would intend it, but does he anticipate or foresee that the Secretary of Agriculture would have the power—if he desire to use it—to fix the support price on corn, under his amendment permitting support from 0 to 90 percent, at such a low figure that would have the effect of forcing farmers to adopt the compulsory feed grain program?

Mr. ELLENDER. No; I would not.

Mr. COOPER. Does the chairman expect that to happen?

Mr. ELLENDER. I do not expect that at all, for the reason that in fixing the support price the Secretary will have the authority to fix it at not to exceed the 90 percent of parity price therefor as the Secretary determines will not result in increasing the Commodity Credit Corporation stocks of corn. In other words, that is the goal that he must reach. Any price support that he fixes must not result in an increase of the surplus of corn.

Mr. COOPER. I will explain my reason for asking the question. The Senator knows that many of us do not support a compulsory feed grain control program. For, as the Senator from Vermont [Mr. AIKEN] said yesterday, we do not know what the situation will be a year from now, or 2 years from now, with respect to supplies of feed grain.

Whatever their volume or value may be then, it is a fact that from the standpoint of use, present stocks of feed grains represent about a 5-month supply or possibly 6-month supply. Beyond that fact, many of us have thought that to pass a compulsory feed grain control bill, which might deny farmers the right to raise feed for the livestock on their own farms, would be a radical departure in farm legislation.

We have considered that it might be much better to have a feed grain program under which the Government would continue to make some payments to farmers, rather than to place every crop in the United States under Federal controls. I do not want to see that happen.

I believe there are some in the Department of Agriculture, according to the testimony we heard this year and last year, who want to place every crop in this country under some kind of Federal controls—and ultimately, over livestock. This viewpoint came out clearly in hearings before the Senate Committee on Agriculture in 1961.

The question I ask about this amendment—and I know the chairman will speak clearly about it—is whether he believes that the Secretary of Agriculture or his Department would use the power of setting feed grain supports between 0 and 90 percent of parity to lower supports, so that it would have the effect of forcing farmers to vote for a compulsory control program because there would be no workable alternative to protect them in any way except such a control program.

Mr. ELLENDER. No; I do not believe that at all. To begin with, the machinery to bring anything like that about is not available. The Secretary would have no right under the law or under any past laws to put acreage controls into effect. That is what the Senator is interested in.

Mr. COOPER. I believe the Senator has expressed his view.

Mr. ELLENDER. The Secretary could fix the price support at 5 percent of parity or 80 percent of parity, but he cannot put acreage controls into effect.

Mr. COOPER. If the Secretary fixed feed grain supports at 5 percent, and as a result a flood of feed grains was produced, the price would drop, and the situation that would develop might force the farmers to take something they do not want.

Mr. ELLENDER. The Senator knows that the only time the Secretary of Agriculture would be called upon to do that would be to assist in raising the price of the crop. However I go back to the proposition that by the adoption of this amendment the Secretary of

Agriculture would have no right whatever in any manner to control the production of corn or other feed grains, or limiting acres.

Mr. COOPER. If the time comes when farmers have to vote upon the compulsory feed grain control proposal, I would like to know a workable alternative is preserved in the basic law. In 1958, when the farm bill was before us that year, much of it marked a radical departure, in the sense that it departed from the old parity concept. At that time the Senator from Minnesota [Mr. HUMPHREY] offered an amendment, which maintained the parity concept, to provide a feed grain program under which each farmer could choose to expand his acreage at a somewhat lower level of supports. I voted for it. His amendment was defeated, but at least it offered farmers a choice. The bill which was passed in 1958 provided for a referendum to continue corn allotments with 75 to 90 percent support for cooperators, or to abandon corn allotments and provide supports for all corn at 90 percent of the 3-year market price or 65 percent of parity, whichever was higher. As a result, of the 1958 act, corn allotments with 75 percent supports were defeated in the referendum, and that helped to produce the present surpluses.

I should like to see something provided on the order of the proposal of the Senator from Minnesota in 1958. The Senator from Louisiana [Mr. ELLENDER] has said that the 0 to 90 percent of parity would give some protection to corn growers. I am not so sure. I know the Senator from Louisiana is sincere, but I do not favor giving this authority to the Department of Agriculture.

Mr. HUMPHREY. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. HUMPHREY. I understood the chairman to say yesterday that it will be his intention in January to call the Committee on Agriculture and Forestry into session for the purpose of obtaining testimony from persons engaged in the feed and grain business and also from the Department of Justice in order to perfect a new feed grain program. As I understand, the bill before us is at best a stopgap measure. The Senator from Louisiana expects Congress to take affirmative action next year. Is my understanding correct?

Mr. ELLENDER. That is what the proposal would lead to. I am hopeful that it will be possible to hold hearings not only on corn, but also dairying during the early part of next year.

Mr. HUMPHREY. Section (b) of the Senator's amendment provides for that very thing.

Mr. MORSE. Mr. President, I should like to have the attention of the Senator from Louisiana and the Senator from Kentucky as I make some comments.

I have heard from the wheatgrowers and the livestock and poultry feeders of my section of the country, which encompasses Idaho, Washington, and Oregon. They are pointing out that based on the Kansas City market, for example, and eliminating the freight differential, which is always a handicap to us, feed grain in the Pacific Northwest is costing them from $7 to $10 a ton more than it costs in Kansas City, and that this is bound to exterminate many feeders in the Northwest. They cannot wait until the next session of Congress.

I believe they are trying to solve this problem with the help of the Secretary of Agriculture, in the hope that some relief can be provided. Much milo and other feed grains should go to the Pacific Northwest, but the storage people are doing everything they can to block its movement. I did not know that the objective of the farm program was to enable the storage people to make profits. I thought the objective was to dispose of surplus grain. There is a great need for surplus grain in the Pacific Northwest. It is all tied up with this version of the bill, so the wheatgrowers and feeders of my section of the country have told me in the last 24 hours. So I wish to lay this problem before the Senate, make the legislative history, and get the comments of any Senator who wishes to make the legislative history, particularly the Senator from Louisiana.

The wheatgrowers and feeders in my section of the country say, "Well, a large amount of barley, which has been cut out of the program, is being exported." It surely is. We ought to be praised for that. It is desirable to export barley. But if we were not exporting barley, our feeders could not buy barley, because they could not afford to buy it at support prices. So that, again, would help the storage people.

The suggestion has been made to me in the last 24 hours that I elicit from the Senator from Louisiana a legislative history on this phase of the wheat program, for it appears now that there will not be an adequate control system provision in the bill. There is to be a wheat program which will be better than nothing, but far short of the two-price wheat program, as to which the Senator from Louisiana has done a masterful job, and for which we in the Pacific Northwest are indebted to him. I think it is perfectly clear from the record that if he had his way now, he would stand just where he has been standing with respect to this question; but he has an almost impossible task, as the manager of the bill, to have some measure passed by the Senate which will at least provide some protection to agriculture.

But the wheatgrowers in my region are asking me why it is not possible to include in the bill a provision, or at least to make a legislative history, which would permit the practice that I now describe; namely, of permitting that amount of wheat acreage that goes out of production, so far as feed wheat and export wheat are concerned, to be planted, with no supports, in feed grain, so as to help make available in our part of the country a supply of feed grain for the feeders of both livestock and poultry. I ask the Senator from Louisiana: Is such a suggestion at all reasonable?

I see no reason why acreage should be permitted to be planted in barley on the assumption that it will be used for feed grain, when actually it will not be used for feed grain, because it will be exported or placed in storage, since the support price makes it too expensive to be used as feed grain in my part of the country in competition with feed grain marketed at Kansas City and other Midwest cities at from $7 to $10 a ton cheaper than our feeders can buy their grain.

If some of the acres in our section of the country that are not to be covered by support prices could be planted in wheat to be used as feed, that might be of some help. I do not know whether it will solve the problem at all, but I am grasping at straws to be of help to the feeders of my section of the country, because the evidence we have filed with the Department of Justice is, in my judgment, unanswerable. It is evidence provided by research studies made by Oregon State University, at Corvallis, and by Washington State College. They are impartial studies prepared by men who know the grain business of the Pacific Northwest, and they bear out what I have said in my statement this morning; namely, that the feeders in the Northwest cannot compete with the feeders of the Middle West because of the differential in the price of grain. The answer is not to be found in the freight differential, because that even compounds their problem.

So I ask the chairman of the committee: What would be wrong with allowing some of the acreage that is to be taken out of production to be planted in wheat, but only for feed grain use?

Mr. ELLENDER. Of course, I am very sympathetic to the problem which the Senator has laid before the Senate. In order to be of assistance, as he remembers, when we included the compulsory feed grain provision, we had a section which provided an interchange between corn and wheat that could be used for feed. Unfortunately, since we were unable to pass the original title pertaining to corn and other feed grains—that is, to make them compulsory—that provision was stricken from the bill. I regret that very much. But I want to give the Senator from Oregon assurance that in the amendment which was adopted we are providing some relief, for in it there is a section which invites those in the position the Senator from Oregon has described to contact the Department of Agriculture, in the hope that some remedial legislation can be enacted come January.

I wish to give my assurance that I shall do all I can to alleviate the situation the Senator from Oregon complains about. Of course he realizes that our great difficulty at the moment is that we have so much wheat in surplus now, and also so much of feed grains, that to permit the planting of more in another section of the country might do violence to the program.

As I have said, I am very sympathetic with what the Senator from Oregon is suggesting; and, come January, I am very hopeful of being able to present to the Senate a bill which may correct the situation about which the Senator from Oregon complains.

Mr. MORSE. Mr. President, this relief just means economic survival for the feeders in the Pacific Northwest. I cannot justify not doing everything I can at this session to try to provide them with some relief. If the acres I am talking about are allowed to be planted to nonsupport wheat, it does not seem to me that will increase our wheat surplus, because the support price could not be used for that wheat. It would be economically impossible for the support price to be used for it, because they could not get their money back. But without this relief, they will have to go out of the feed business.

The situation in the Pacific Northwest is that the feeders are being shipped into the Midwest, where the price of grain is low, because we cannot get the relief to which we believe we are entitled.

We are accustomed to being an economic colony of the East and the Midwest; we have had that experience for decades and decades. But the people of my part of the country want an emancipation proclamation by means of this part of the bill. We are fed up with being economic colonists of the Midwest and the East. We want our economic independence; and we think we should be allowed on an economic basis to raise our own feed, to be fed to our own feeders, for consumption in our own section of the country. We can raise the meat that is needed for the west coast. But what is happening? Meat is being imported, to feed the people in Oregon, Washington, Idaho, and California; and much of that meat is in the form of our finished feeders, which have been sent to the Midwest feeding lots, because this unjustifiable economic discrimination against my section of the country is permitted to continue.

I am fighting here today to get an emancipation proclamation insofar as our farmers are concerned, so they no longer will be the economic colonists of the Midwest and the East. I do not understand why Congress insists upon imposing this kind of economic injustice upon my section of the country. I do not see why the people of California, Washington, Oregon, and Idaho have to ship their feeders to the Midwest, to be fattened and slaughtered, and then shipped back to the west coast, to provide a meat supply for the people of our section of the country, when we have in our section of the country the greatest herds in the country. This simply is not right or just.

If we can say to the feeders and to the wheat growers of my section of the country, "Here are so many thousands of acres of wheat land which do not fall within the wheat program. You cannot get the support price for wheat grown on them; but if you want to grow wheat on them, instead of growing something else on them or instead of letting them lie barren and take a Soil Bank payment for them, we will let you raise your own feed grains on them. You will not get any support money for it, but you can use the wheat to feed to your own feeders," what could possibly be wrong with that, unless we wish to say that as a matter of policy we are going to penalize the Pacific Northwest. But, Mr. President, that cannot be justified. That injustice has been too long endured by the people of my section of the country.

I want to work with this administration, and I want to help this administration pass sound legislation. But I am not going to sit here and support this administration in the perpetuation of economic injustice against the people of Oregon. I simply am not going to do it; and I think this is a place where justice can be worked out, and I think the feeders of Oregon are entitled to an arrangement which will assure them a supply of feed grains to be used in the Oregon feed lots, without having to pay $7 to $10 a ton more than feeders in Iowa, Illinois, Kansas, and the feeding lot areas in that part of the country have to pay. So I am pleading for only simple justice.

We have been trying to work out with the Department of Agriculture an arrangement by means of which it will release some of the great quantities of milo in the Midwest storage bins, to help produce the needed supply of meat. But we are told that the storage people would raise holy Ned if such a program were followed.

So today I ask, here on the floor of the Senate, whom are we trying to help? The farmers or the storage profiteers? I should think we would have had our belly full—and I am sorry to use that phrase, but it is so descriptive and so apropos that I do use it—of storage scandals. I should think the Sol Estes case would be enough. The reason why such a scandal developed is that the Government has been aiding the storage people, not the farmers. I want to get this feed out of storage and into human stomachs and into the stomachs of livestock and poultry, so that, in turn, there can be a meat supply for human consumption. I also wish to point out that I do not think we have yet scratched the surface of the export market, insofar as the export of meat is concerned.

So there simply cannot be any justification for keeping the grain in storage, where much of it will spoil. Certainly a study needs to be made of the spoilage which occurs in connection with the Government's storage program. It should not be allowed to spoil in the Government storage bins. It should go into empty human stomachs around the world; and it should also be made available to farmers in parts of the country, such as the Pacific Northwest, which are being economically discriminated against because they are not allowed to compete on an "equal shake" basis with the feeders in the Midwest.

That is the problem. All I can do is raise it here. There is no question about the soundness of the facts on which I rely, because the conclusions reached in the studies by the agricultural departments of Oregon and Washington, to which I have referred today, have not been answered by the Department of Agriculture, and cannot be answered by the Department of Agriculture, because 2 plus 2 still makes 4, no matter what kind of rationalization the Department of Agriculture wishes to give for a continuance of this discriminatory policy.

I think the Senator from Louisiana knows how appreciative I am of the agricultural statesmanship he demonstrates every time we have an agricultural bill before us. But I would be less than honest if I did not say that many of the feeders in Oregon cannot wait until January; by January, many of them will be dead broke and out of business. Now is the time for this administration to write into this bill some protection which will give Oregon feeders an equal competitive "break" with feeders in the Midwest. We are not asking for more; but we are asking for that. Until that is done, in my judgment the Oregon feeders will remain the economic colonists of the feeders in the Midwest and the East; and that cannot be justified.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment, "8–20–62—D."

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota to the committee amendment will be read.

The LEGISLATIVE CLERK. It is proposed on page 49, beginning in line 1, after the period, to strike out all through line 5.

Mr. YOUNG of North Dakota. Mr. President, this is the appropriate time to call up the amendment since the Senate has just adopted an amendment which would repeal the 1958 act placing a minimum price support on corn at 65 percent of parity.

It has been very difficult for me to be on the floor during the consideration of this farm bill. All day the Appropriations Subcommittee on Agriculture has been taking final action on the Agriculture appropriation bill, and I am the ranking Republican member of that committee, so I feel I must be there. But the amendment I am calling up would repeal this provision in the present law, a provision that was put in the law about 2 years ago, which reads as follows:

> Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

Previous to that provision, the program provided price supports on feed grains and other grains on the amount actually produced by the farmer. This language provides the farmer can receive price supports on only his average production of the previous 2 years.

Let me illustrate how it works in my State. Last year we had a severe drought. In much of the area there was practically no crop at all. Thus the average yield was greatly reduced. This year we have a good crop. So the farmers find themselves able to get price supports on only about half of their feed grain production. They feel it is unfair. I believe it is unfair. It is particularly unfair since price supports have been reduced from 65 to 90 percent of parity to zero to 90 percent of parity under an amendment just approved by the Senate.

Mr. ELLENDER. Mr. President, there is a good deal of merit to what the Senator from North Dakota has said. Since the provision that his amendment strikes from the committee amendment is in the House bill, the provision will be in conference, and I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HUMPHREY. Mr. President, in order to bring about the appropriate parliamentary situation, I move to reconsider the votes on all amendments to the committee amendment which have been agreed to. I ask unanimous consent that the amendments be considered en bloc for purposes of reconsideration.

The PRESIDING OFFICER. Without objection, all amendments will be reconsidered en bloc——

Mr. COOPER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Kentucky reserves the right to object.

Mr. COOPER. Mr. President, earlier I questioned the amendment which has been voted on, to change price supports for feed grains from 65 percent of parity to a new standard of 0 to 90 percent of parity. I would like to have the vote on that amendment reconsidered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the votes on all other amendments to the committee amendment, which have been agreed to, except the Ellender amendment on page 56, after line 2, be reconsidered.

Mr. ELLENDER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the Ellender amendment to the committee amendment was agreed to be reconsidered.

Mr. ELLENDER. Mr. President, I move to lay that motion on the table.

Mr. COOPER. Mr. President——

The PRESIDING OFFICER. A motion to lay on the table is not debatable.

Mr. ELLENDER. Mr. President, I withhold my motion.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. COOPER. I thank the Senator. I recognize the amendment was agreed to. I was not here at the time, and very few Senators were here. There was no debate on the amendment, which was not available until today, and no rollcall.

I raised questions regarding the amendment, as soon as I heard the amendment was passed by voice vote and they appear to me to have some importance. I oppose the compulsory feed grain control program, for these reasons:

First, I do not thing there is any need for it. There are no great supplies on hand, from the standpoint of the volume of feed grain used each year—5 or 6 month's supplies. Second, the control program would deny some farmers the right to raise feed grains on their own land to feed their stock which would be a radical departure. Third, the control program could lead to controls over livestock production. It might not happen, but raises that possibility.

If the compulsory feed grain program becomes law, it would mean that practically every farm crop would be under some type of Government control, and every farmer engaged in a Government farm program.

I know there will be time during the next year to consider a revised feed grain program. I know I do not have to tell the chairman of the committee of my high regard for him, for his thoroughness and fairness. I hope he will hold three or four hearings or more over the country, as was done in 1947, to ascertain the views of farmers, and to determine if there is some way of meeting the feed grain problem other than by the compulsory program which the Department of Agriculture desires, and something better than the present program. I want to see a change in the present program, but we cannot assume that farmers and farm organizations over the country have no ideas on the problem.

What has all this to do with my motion that the vote on the amendment be reconsidered? What I have said is relevant, for I believe the authority to fix price supports at from 0 to 90 percent provided to the Secretary of Agriculture by the amendment, could give him the power—in fact require him—to fix price supports at such a low figure, that it would have the effect of forcing the farmers to take a program they did not want. For the amendment provides that he must fix supports—0 to 90 percent—at such a figure as would not increase CCC stocks. This would force him to lower supports radically. I do not think my argument is technical; I think it is fundamental.

The Secretary, is firmly wedded to compulsory programs. I know Mr. Willard Cochrane, his assistant, who came with him to our committee, is firmly wedded to compulsory control programs. They so testified. The amendment, authorizing price supports at 0 to 90 percent, accompanied by the provision that such price support level must not add to stocks, would require the Secretary and others who are wedded to the idea of a compulsory feed grain program, to fix price supports at such a low level that the farmers might be forced to vote for a compulsory feed grain program.

I think, in all fairness to the farmers, we should take the possibility I have mentioned into account.

I am afraid the Senate will take this amendment. It has already taken it. I am not complaining. No quorum was called on it following the quorum on taking up the farm bill. I understand there was no debate on the amendment, and no rollcall vote. But, if the vote is reconsidered—and I would like to have it reconsidered—I want to be recorded as voting against the amendment for the reasons I have given, and give other Senators the same chance. Then, if the Senate wants to approve the amendment, it will be the Senate's judgment.

I move to reconsider.

Mr. HUMPHREY. Mr. President, I am going to withdraw the motion to reconsider. Before I do so, in order that we may accommodate Senators who wish to make some comment, I withhold. Other Senators are interested. I shall withdraw the motion.

Mr. AIKEN. Mr. President, I am not particularly worried about how to control surpluses of feed grains 2 or 3 years from now. What concerns me most is whether we shall have enough feed grain production in the country to meet the demand both here and abroad. The demand for feed grains is growing by leaps and bounds. People all over the world are demanding finished beef now, and that requires feed grains. Our own population is increasing at the rate of nearly 3 million people a year.

To show the position we are in at the present time I should like to put a few figures in the RECORD. I shall take corn as an example, and the USDA figures as authority for what I shall say.

In 1961 we fed and sold, according to the revised figures of the Department, 3,983 million bushels of corn. In the same year of 1961 we produced 3,624 million bushels of corn. The carryover at the end of the marketing year was 350 million bushels less than the carryover the year before.

Approximately 100 million bushels of the decrease was brought about by the billion dollar emergency program, and 250 million bushels of the reduction resulted from increased sales and feeding of feed grains.

The marketing and feeding of corn for the year 1962 is expected to be far in excess of 1961. I believe I heard on the radio this morning that the Department estimates 2½ million more tons will be fed this year than were fed last year.

According to the statistics, there are 4 percent more cattle on feed now than there were a year ago, and we are feeding at a 10 percent higher rate than we were 5 years ago. That is going to take a lot of feed grains.

The carryover for October 1 of this year is estimated at 1,650 million bushels, or slightly over a 4 months' supply, figuring at the rate of feeding which prevailed last year. We are now using feed grains in this country at a rate in excess of our total production for the record years of 1959 and 1960.

So it does not seem to me that we need worry too much about surpluses of feed grains. In 2 or 3 years we may be worrying about having enough feed grains to meet our own requirements and the demand for export.

Mr. ELLENDER. Mr. President, again I give reassurance to my good friend from Kentucky that before offering the amendment I had the law examined. The Secretary of Agriculture will be unable to provide any program of any kind of controls on the production of corn and other feed grains. The 0 to 90 percent provision may be used by the Secretary to encourage production. He will not have to do so but the provision

may be used to encourage the production of corn and other feed grains, as is done in the case of soybeans and other commodities which may be in shortage. That is the provision in the law now, I say to my good friend.

In my amendment I have provided that the same price supports procedure may be invoked for corn as for many other commodities. It can be used, as I said, in the event we need more production.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my motion to reconsider may be withdrawn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. COOPER. Mr. President, as the chairman of the committee knows quite well, I have absolute confidence in anything the chairman tells us, as have all the members of the committee. All of us on the committee know of his absolute fairness in all these matters.

The chairman knows that when the farm bill was first before the committee, and before the Senate earlier in the year, and again when the bill as passed by the House was last before the committee, I supported that part of the bill which would revise the wheat allotment program, because wheat has been the most troublesome and persistent surplus. Also, a distinction can be made between wheat—a crop susceptible to rigid controls, and which has had a control program for many years—and feed grains.

I feel so strongly about the compulsory feed grains program that I do not want to see any action taken now which could give the Department of Agriculture a power, such as the 0 to 90 percent support price, which at some time—next year, or the year after that—would be used, in fact, required to be used, and which would have a coercive effect in bringing about the adoption of a compulsory feed grains program.

I know the chairman does not have anything like that in mind. But last year and again this year the Secretary of Agriculture and his advisers came before our committee and expressed the view that the compulsory feed grains program must be adopted as a permanent program. Of course, when the committee refused to adopt it, they had the question taken to the Senate, and by a very small majority of 42 to 38 it was adopted by the Senate. I assume the Department of Agriculture, the Secretary and his advisers, are not going to relinquish their effort to secure a compulsory feed grains program.

I do not accept the view, because they offer it, that it is a "must" program. The subject of agriculture is a kind of mystery to many people. The chairman knows farm programs, along with the distinguished Senator from Vermont [Mr. AIKEN] and the distinguished Senator from North Dakota [Mr. YOUNG]. But the lack of knowledge of farm programs is general throughout the country, and I say, with all respect, this mystery, lack of understanding, is reflected in newspaper editorials. Many take the position that the feed grains program ought to be adopted as a part of the administration program, without recognizing that it has much deeper consequences and significance. Many do not know that it would lead to controls at some time upon livestock and poultry, that it would mean that many farmers would be prohibited from growing feed for use on their own farms, and that it would lead to a control over crops and farmers that this country has never known. Wheat, cotton, tobacco are different. Feed grains are inherent in the farmers' use of his farm.

I should like to see at least some segment of the farmers remain free from governmental controls and governmental support.

I do not want to be overly suspicious. Its effect could force enactment of a compulsory feed grain control program if such a program were enacted.

So, I move to reconsider the vote. I shall ask for a quorum call, so that the Senate can vote on whether the support price for the 1964 crop and subsequent crops of corn shall be changed from 65 percent of parity to some point to be determined by the Secretary between 0 and 90 percent of parity.

Mr. President, I move to reconsider the vote by which the amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The Senator will have to obtain unanimous consent in order to make such a motion. Does the Senator ask unanimous consent for that purpose?

Mr. COOPER. Mr. President, I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ELLENDER. Mr. President, of course, I could have objected but I did not want to do so. I am for free debate. I do not wish to be accused of trying to "put something over" on Senators. But I assure my good friend from Kentucky that by the adoption of the amendment, there is no law now existing that would give the Secretary of Agriculture the power to put into effect any kind of program of acreage control on corn. The purpose of the amendment was merely to put corn in the same category as soybeans and other commodities in providing an opportunity for fluctuation in price supports, in the event that the Secretary of Agriculture saw fit to do so for the purpose of increasing production. After all, that is the purpose of the price support program.

What I argue against is a program under which the Federal Government would be compelled to support prices of commodities the supply of which was far in excess of our needs. That is why I attempted to place growers of corn and other feed grains in the same category as growers of tobacco, cotton, peanuts, rice, and wheat. As to the producers of those commodities, the support prices were fixed in the law. But in order to obtain the support prices, growers had to conform to acreage allotments. But that was not so in the case of corn and other feed grains. That was the essential difference between the programs affecting corn and those relating to other basic commodities.

Mr. COOPER. Mr. President, I repeat that in no way do I question the good faith of the Senator from Louisiana, either with regard to the vote taken or in any way. There is no fairer man in the Senate.

The PRESIDING OFFICER. Without objection, the question is on the motion to reconsider the vote by which the amendment to the committee amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota to table the motion to reconsider.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COOPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOPER. Mr. President, will the Senator from Minnesota withhold his motion to lay on the table?

Mr. HUMPHREY. I withhold it.

Mr. COOPER. I should like to explain my position to the Senators who have come into the Chamber. I want to explain the purpose of my motion.

Today the distinguished chairman of the Committee on Agriculture and Forestry offered an amendment which was adopted. Under present law, the 1958 act, the support price for corn is fixed at 90 percent of the average market price for the 3 preceding years, or at 65 percent of parity, whichever is higher. The effect of the chairman's amendment is to change the present law and to provide authority to the Secretary of Agriculture to fix the support price for the 1964 and subsequent crops of corn from 0 to 90 percent. It further provides that the support price shall be such as the Secretary determines will not increase the Commodity Credit Corporation's stocks of corn.

Under the authority, which would be given to the Secretary, he could provide price support at such level as he determines would not result in any net gain in Government stocks of corn. It means that there would be very little if any support for corn.

The amendment was adopted. I have moved to reconsider the vote by which the amendment was adopted.

If my motion is successful, we will then vote again on the amendment. My purpose in opposing the amendment can be stated as follows:

First, I should like to give the situation as I understand it if the pending farm bill is adopted. A voluntary program for corn and other feed grains will be continued in 1963. Then, before 1964, Congress would have to act either to extend the voluntary program or, if it should not be extended, to provide another program for corn and other feed grains.

If no program should be provided, we would be back to the basic law, to the

1958 program, which now provides support for corn at 65 percent of parity, and for other feed grains at a price related to corn.

With the change which is offered in the support price by the chairman's amendment, there would be no program for corn and feed grains, in my judgment.

My reasons for questioning the amendment arise from the coercive effect it could play in the adoption of a compulsory feed grains program. The Department of Agriculture and the Secretary want Congress to adopt a compulsory feed grain control program. There are those in the Senate and in Congress who also want to see the program adopted.

Others have opposed it, as I do for reasons which we have stated many times. We do not believe that the same argument can be made for the feed grain program as can be made for wheat which is the chief source of our surplus. Stocks of feed grains in surplus, while they represent large amounts in volume and value, actually are sufficient only to meet needs and use for a period not to exceed 6 months for corn, and similar periods of time for other feed grains. A drought, unusual use, or increased feeding of livestock, could greatly reduce these supplies. In fact, there might be shortages. We do not know what will happen a year or two years from now.

Many have raised the objection, when the bill was before us in the past months, that they do not want to see a situation develop in the country in which farmers cannot raise feed grains necessary for use on their own farms. That would be a radical departure in our farm programs; it would be something which has never before occurred in our country. Even the wheat program contains an exemption for wheat grown and fed on the same farm.

Another objection is that the compulsory feed grain program could lead ultimately to controls over livestock.

When the omnibus farm bill was before us in 1961, and the Secretary of Agriculture and his officials, it was clear that it might lead to controls over livestock.

It might be asked what this has to do with my motion to reconsider the amendment which was adopted, and to ask that the present support price for corn in the basic law be continued rather than to adopt the change proposed by the chairman that price supports be fixed at 0 to 90 percent and at a level which would result in no additional corn going into Government stocks.

I think it evident that if the Secretary of Agriculture had the power to fix support prices at any figure he wished between 0 and 90 percent, and also to give support only to the extent that the Government would take over no corn unless it sold an equal amount, farmers would have little choice, except to say, "We will accept the compulsory feed grain program." There would be no reasonable alternative.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. The Senator has just touched on a very sensitive and important phase of this particular amendment. The theory of support prices in the discretion of the Secretary of Agriculture, from 0 to 90 percent, as a means of regulating the inducement or control of future crops, has much to be said in its favor. However, the Senator has just pointed out that such a proposal puts a substantially coercive power in the hands of the Secretary. We all realize that. He can fix the support price at any amount he wishes, from 90 percent to 0. This is very important, considering the present attitude of the Secretary of Agriculture.

I call the Senator's attention to one particular fact and ask him if he agrees with me. Last year or a year and a half ago it was the direct testimony of the Secretary of Agriculture that he expected to use—and, in fact, he did use it last year—the authority to sell corn on the market in order, as he himself said, to hold the price of corn down, so as to coerce farmers into going into his emergency feed grain program. He used that power to coerce the farmers to accept the program which he wanted to force upon them.

I suggest that having already demonstrated his arbitrary power to sell corn on the market at the market price, and thus depress the market to $1 or below on corn, it is reasonable to believe that, having discretionary power from 0 to 90 percent, he might be very likely to use such power to threaten farmers with no support price whatsoever unless they accepted the compulsory control program. This has been the consistent purpose of the Department of Agriculture ever since the present administration took office more than a year and a half ago. Does the Senator from Kentucky believe that is a reasonable assumption?

Mr. ELLENDER. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. ELLENDER. The Senator from Iowa is in error. It would be necessary for Congress to pass a law in order to give the Secretary such power. In other words, the Secretary of Agriculture would not have the power to say—if the amendment were adopted—that acreage controls would be, for example, at 50 percent of parity. He would have no such authority if the amendment were adopted.

The law now on the statute books, which would be repealed by this amendment, gives the Secretary of Agriculture the power, without even submitting the question to the corn growers, to say, "You can grow all the corn you desire, and you will get price supports ranging from 90 percent of the average of the 3 years' market price, or 65 percent of parity, which ever is higher."

This amendment would repeal that part of the law. In other words, the Secretary of Agriculture would not have to go to a support price of more than the rate I have just given, with unlimited production.

If the bill should be enacted with the amendment as proposed, the emergency program would be extended for another year. At the end of that year, the farmers would be free to plant all they wished, but without price supports, unless the Secretary desired to provide price supports in order to encourage production. The problem is that simple.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. I am referring to the language of the amendment. As I read it, it seems to be quite clear. It is the amendment offered by the Senator from Louisiana [Mr. ELLENDER], designated "8–26–62—F." As I understand, that is the amendment which is now under discussion. It provides:

> Notwithstanding the provisions of section 101 of this act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not to exceed 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn.

If that does not give the Secretary the right to set the price support level from 0 to 90 percent, I do not understand the amendment.

Mr. ELLENDER. It does; but it would not be under compulsion. The Senator from Kentucky is afraid that if the amendment were adopted, the Secretary of Agriculture would have the right to control acreage.

Mr. HICKENLOOPER. I do not understand that to be the Senator's position.

Mr. COOPER. That is not my position; absolutely not. I am perfectly clear about the provision. I am completely in accord with the Senator's view of the purpose of the amendment. I know that if the bill is enacted, there will be a voluntary feed program in 1963. I understand, also, that if that program is not extended next year and if no other program is adopted, there will be a reversion to the 1958 act. Does the Senator agrees with that statement?

Mr. ELLENDER. If my amendment were not adopted?

Mr. COOPER. If the amendment were not adopted, or under any other circumstance. If a new program were not adopted for 1964, and the voluntary program were not extended, there would be a reversion to the 1958 act. Corn producers would come under the 1958 act.

Mr. ELLENDER. After expiration of the extension of the emergency program.

Mr. COOPER. Yes.

Mr. ELLENDER. Certainly, if this amendment were not adopted, that would be the case.

Mr. COOPER. There is no contention on my part that if the amendment were adopted, the Secretary would be given power to fix acreage allotments, for that is not the case.

Mr. ELLENDER. No. With all due respect to the Senator, the amendment would not give the Secretary the right to fix any acreage allotment.

Mr. COOPER. I said that; I understand perfectly well. I want the Sen-

ator to understand my objection to the amendment.

The purpose of the administration, the purpose of the Secretary of Agriculture, the purpose of his advisers, the purpose of the Senator from Louisiana—and the Senator is perfectly honest and clear about it—is to secure passage of a compulsory feed grain program to become effective in 1964. I think the Senator will agree with me in that statement.

If the Senator's amendment were adopted, it would provide an instrument in the hands of the Secretary of Agriculture, which he would be required to use and which would have a coercive effect in achieving a compulsory feed grain program. If the Senator's amendment were adopted, the Secretary of Agriculture would, I believe, be required to establish supports at a low price. For the Senator's amendment provides that the support must be low enough so that there would be no increase in CCC stocks.

There would be no alternative to the compulsory program except a support price which would drive down the price. Farmers would find it necessary to move into a compulsory feed grain control program, whether they wished to go into it or not.

Next year, when we come to consider a new feed grains program, I want these alternatives available to the farmers.

Mr. ELLENDER. Mr. President, the Senator from Kentucky concedes, does he not, that in order to initiate a program of compulsion, the Secretary of Agriculture would have to have Congress enact a law which would give him that power?

Mr. COOPER. Yes, I know that.

Mr. ELLENDER. Certainly.

Mr. COOPER. But I am arguing against this amendment.

Mr. AIKEN. Mr. President, I cannot become alarmed about the amendment offered by the Senator from Louisiana. As I interpret it, it does not give the Secretary of Agriculture any authority to offer no price support at all. In fact, it says that price supports shall be made available to the producers of each crop, and then it gives the Secretary of Agriculture authority to set the price support at a level which will not exceed 90 percent of parity. In other words, it is an effort to control the production of corn, through the price support level, rather than through control of the number of acres to be planted.

I presume that the Secretary of Agriculture would determine the level of price support by looking at the amount of corn on hand and the amount which would be needed for the year. Undoubtedly he would also be governed by the corn growers intentions to plant for that year. If on the first of March they showed an intention to increase greatly their planting, undoubtedly he would reduce the support level from the level at which he otherwise would set it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Vermont yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. AIKEN. I yield.

Mr. YOUNG of North Dakota. How does the amendment differ from the Aiken Act of 1948 and the Anderson Act of 1949, which provided for supports of from 0 to 90 percent?

Mr. AIKEN. Was it supported at 90 percent that year? I thought it was 60 percent.

Mr. YOUNG of North Dakota. No, it was from 0 to 90 percent.

Mr. AIKEN. I take the Senator's word for it.

Mr. ELLENDER. We had that for all feed grains except corn.

Mr. AIKEN. That is correct.

Mr. YOUNG of North Dakota. But there was then a yardstick by which the Secretary had to go. I wonder how that differed from the amendment of the Senator from Louisiana.

Mr. AIKEN. As I recall, the Secretary fixed the support price for corn at that time at from 60 to 90 percent.

Mr. HUMPHREY. For corn, it was from 75 to 90 percent.

Mr. AIKEN. At any rate, I know that this proposal to regulate the production of a crop by means of the support level is a doctrine which I have heard many of my good old Republican friends preach for the last 20 years. We know that Secretary Benson asked for such an amendment; and I am delighted, and I am sure Secretary Benson will also be delighted to have the Senator from Louisiana offer the amendment for him at this time.

So, Mr. President, I am not alarmed about this amendment.

I am sure that regardless of whatever law we enact at this time, another agricultural program will be proposed next year, and another one will be proposed the next year. There has been one every year for the last 22 years that I have been here, and I do not know why we should assume that times would change in the next 22 years.

At any rate, this amendment appears to give the authority which Secretary Benson so earnestly requested. Finally, as I recall, he said he would accept a 60-percent minimum. However, Congress would not let him have that; and Congress made him take a 65-percent minimum, and President Eisenhower reluctantly signed that bill.

So I am a little amazed that the 1958 law is referred to as the Benson-Republican law, because it was not satisfactory to Secretary Benson, and the Republican President signed the bill reluctantly.

Nevertheless, as I have said, I am sure ex-Secretary of Agriculture Benson will be delighted to find that the Senator from Louisiana is at last supporting his proposal; and in that case I see nothing else to do but support the Senator from Louisiana.

Mr. MUNDT. Mr. President, I rise to support the position so ably stated by the distinguished Senator from Kentucky [Mr. COOPER], who urged Members of the Senate to vote to reconsider the action taken by the Senate on the amendment—action taken when only a few Members of the Senate were on the floor, and taken without a yea or nay vote, and taken at a time when many Senators were in committee, in connection with their necessary committee responsibilities.

Mr. President, why do I ask that the vote on this amendment be reconsidered? I may say that I agree with the Senator from Vermont [Mr. AIKEN] that this is the Benson flexible price support proposal; and I stand here as one who opposed the Benson proposal every time Secretary Benson made it, at a time when a President of my own political persuasion was in the White House. I see no reason to change my position now, just because some of the Democratic Members of the Senate have become Johnny-come-lately converts to the Benson philosophy. I was against it then, and I am against it now, insofar as it pertains to eliminating all the mandatory price supports and giving to the Secretary of Agriculture the right to set flexible price supports at from 0 to 90 percent.

I think there are even more valid reasons to oppose this flexible price support formula now than were available to me when I was against this provision during the administration of Mr. Eisenhower and Secretary Benson, because, as now placed before us, this is a more stringent approach and a more direct blow at price supports than was the case when Secretary Benson proposed it originally.

I call attention to the fact that this proposal that the Secretary of Agriculture be given the right to set price supports at from 0 to 90 percent is not even as innocent as it would seem if one were to stop right there, for I ask Senators to continue to read the amendment, and read the provision at the top of page 2, and consider the straitjacket in which the amendment would put the Secretary of Agriculture, from the standpoint of being unable to provide a fair and reasonable price to the corn producers. They were not content to give the Secretary of Agriculture the right to set the price supports at from 0 to 90 percent.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. YOUNG of North Dakota. A little while ago, in colloquy with the Senator from Vermont, I stated that the support price for corn under the Aiken Act of 1948 and under the Anderson Act of 1949 was from 0 to 90 percent. But in checking on it, I find that the price support for corn was from 60 to 90 percent, and the price support of all other feed grains was from 0 to 90 percent. I wish to make that correction.

Mr. MUNDT. That is correct.

Mr. President, this amendment is out-Bensoning Benson, and is doing so in a big way, because they are not content to give the Secretary of Agriculture the right to fix price supports on corn at from 0 to 90 percent, but they also include a mandate and a guideline, and put him in a vise, and say, "The Secretary can set the price supports on corn at from 0 to 90 percent"; but in line 2 they say "at such price level as the Sec-

retary determines will not result in increasing Commodity Credit Corporation stocks of corn."

But, Mr. President, in view of the present status of corn stocks and the present status of production and the present status of the science of farming, this language probably would compel the Secretary of Agriculture to put price supports on corn at 0 minus 10 percent, and thus would make the farmer pay a penalty for raising corn. No doubt they could not even afford to set price supports at zero, because they would insist that it be at such a level that not one kernel of corn would be added to the Commodity Credit Corporation stocks; and in view of the vast stocks on hand and the productive capacity of the country, no Secretary of Agriculture could, under these instructions, live with himself and be a self-respecting and honest public official and put any price whatever on corn.

So I submit that all at once we find the Democrats out-Bensoning Benson. I suspect they should get a special plane and fly out to Salt Lake City and publicly and collectively apologize to Secretary Benson that they took so long to become converted to the Benson philosophy. I freely give them my seat on the plane, because I am not going. I have not changed my mind. I think we owe the farmers some kind of price supports, the same kind of consideration as was given to all other segments of the economy, where we have permeating through the economy all kinds of guarantees and safeguards for shippers, bankers, industrialists, manufacturers, the merchant marine. But now, all at once, the corn farmer is told, "You are going to be reduced to a situation where an honest Secretary of Agriculture is going to have to fix your price supports at zero."

That is not all. I would like now to talk to Senators whose areas do not raise much corn——

Mr. HICKENLOOPER. Mr. President, will the Senator yield before he launches into a discussion of that particular phase of his dissertation?

Mr. MUNDT. I yield.

Mr. HICKENLOOPER. Does the Senator agree that the purpose of the amendment is to knock out the 1949 act provisions?

Mr. MUNDT. So far as corn is concerned.

Mr. HICKENLOOPER. And the so-called 1949 act, as amended in 1958——

Mr. ELLENDER. The 1958 act.

Mr. HICKENLOOPER. The 1958 provisions of the 1949 act. In 1958 changes were made in the 1949 act. I refer to section 105, which says in effect that beginning with the 1959 crop, price supports shall be made available to producers at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect of such price of any abnormal quantities of low-grade corn marketed during any of such year, provided that the level of price support for any crop of corn shall not be less than 65 percent of parity therefor.

In other words, while there is a formula for price supports on corn, there is a safeguard of 65 percent below which the price cannot go under any circumstances.

Mr. MUNDT. That is correct.

Mr. HICKENLOOPER. So the present law is not 0 to 90 percent, but, in effect, 90 percent of the average price of the preceding 3 years, but in no case less than 65 percent.

Mr. MUNDT. The Senator is correct. There now are two safeguards. The second safeguard absolutely prohibits the price support from dropping below 65 percent.

Mr. HICKENLOOPER. My question is, Why monkey with the 1958 act at all? Why not leave it as it is? What is to be accomplished by this amendment?

Mr. MUNDT. I believe the present act is unsatisfactory in the manner that it is inadequate to do the job that needs to be done to protect the corn farmers, but it is immeasurably better than eliminating the safeguards altogether. What the Ellender amendment proposes to do is finally to get around to what some people have been trying to do for some time, including the Committee on Economic Development, and that is to take the minimum wage protection away from the farmer, which he has in the way of price supports, while workers in manufacturing have a minimum wage.

This is a proposal to go full wheel around and say to the farmer, "You are going to have no protection at all, while the products that you purchase in the way of machinery and supplies from industry will have the protection of a minimum wage for the working people." Because the people in industry have a minimum wage, and they probably are entitled to it, it has been necessary to provide some kind of minimum wage for the farmers who buy the products of industry. Now the farmers are being told all at once, "You will get no kind of protection. You will get nothing which will reduce your costs. You will get nothing which will reduce the cost of supplies you buy from industry which are held up because of minimum wages in the industry." The farmer is simply being told, "We are not going to do anything for you, except to slide your price supports down to zero."

Let me say to Senators who do not come primarily from corn areas, I think every Senator represents farmers who raise some kind of feed grains on the farm. May I point out that it is not proposed that the whole act shall be repealed. I call attention to title 3, which is not repealed, which is really going to put the farmer in the poorhouse if the amendment is followed. Let me illustrate.

Title III, section 302, provides—and this would be continued—

Without restricting price supports to those commodities for which the marketing quota or marketing agreement or order program is in effect, price support shall insofar as feasible be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program.

Now we are talking about oats. Now we are talking about barley. Now we are talking about all the other feed grains which come into the picture.

What are the rules which obtain in that connection? I read them because they are found in section 401, subparagraph (b) of the 1949 act, which would remain in the law if price supports were allowed to go down to zero.

It provides:

The price supports at which other commodities—

These are all the other feed grains—

are being supported, and in the case of feed grains, the feed values of such grains in relation to corn—

So it means the price supports are going to be cut down on every other feed grain in relation to corn value at zero per bushel, if the Secretary goes the full route. And the Secretary, if he is an honest man, a responsible public official, has no other choice, in view of what is included in the Ellender amendment, that the Secretary must provide price supports to producers for each crop of corn at such level as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn.

If Senators want to scuttle the farm program, if they want to jump across and go on record as saying we are not going to give the producers of corn, barley, oats, and feed grains any protection whatsoever, they are not going to do it with the vote of the Senator from South Dakota.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. CURTIS. If this amendment is adopted, for how long a time will it continue by its terms? Is it to be permanent law?

Mr. MUNDT. It will become permanent law.

Mr. CURTIS. Does this proposal have the support of Secretary of Agriculture Freeman and of the President of the United States?

Mr. MUNDT. I do not see the chairman of the Committee on Agriculture and Forestry present, but the acting majority leader [Mr. HUMPHREY] could probably tell us, because I think he knows something about the Secretary of Agriculture. I wonder if he could advise the Senate whether the Secretary of Agriculture supports the amendment.

Mr. HUMPHREY. I do not know that the Secretary of Agriculture has advanced this proposal. I understand this is the handiwork of the chairman of the committee, and the chairman has spoken as to its purposes. I do not think one could commit the Secretary of Agriculture to this particular phase of the amendment.

Mr. CURTIS. I think it is important that we know whether or not the Secretary is opposed to it, because——

Mr. MUNDT. As a partial answer, I have heard the distinguished Secretary of Agriculture, who is a neighbor of mine, on television and radio berate Secretary Benson time after time after time because Benson favored this flexible price proposal. So I think it would

be an extremely quick switch if the Secretary of Agriculture now favors the philosophy which he condemned because he thought it was wrong when Benson proposed it. So, unless the Secretary has made a complete about-face, he would have to be opposed to this proposal.

Mr. CURTIS. I think we should know before we vote.

Mr. MUNDT. I agree. I think we should know all about this amendment. I think we should know about feed grains. I am now going into a segment of agriculture that is going to be undermined even more.

Mr. CURTIS. Suppose this provision became permanent law and the Secretary, in order not to increase the stocks of the Commodity Credit Corporation, materially lowered the present support price.

It is contended by a great many farmers and nonfarmers that when such a thing happens some farmers are compelled, in order to stay in business, to produce more bushels. So they plant the crop thicker. They tend the crop more vigorously. They add more fertilizer. They add more water. If they do that and end up by actually producing more corn, thus adding to the stocks of the Commodity Credit Corporation, what then, under the mandatory language, must the Secretary do the following year?

Mr. MUNDT. I will tell the Senator what he will do. The Senator from Kentucky put his finger on that.

Mr. CURTIS. What must he do?

Mr. MUNDT. There will then be chaos. Since the Secretary would not have permission, under the bill, to put the price supports for corn at less than zero, since he would not have authority to say to the farmer, "We will give you a zero price support and fine you 10 cents a bushel for raising corn," he will then have to come along with a mandatory control program, which the House of Representatives so emphatically rejected the last time. We shall then be confronted by a situation in which the farmer will have to have a license to grow corn. There will be a compulsory program all down the line. The farmer will be told how much corn he can raise, how to raise it, and at what price he can sell it.

The Senator from Louisiana is quite correct in saying that this would require new legislation, but at that time there would be such chaos that nothing else would make sense, because the proposal in the amendment does not go quite far enough to give the Secretary of Agriculture the right he would have to have to make the amendment effective, which is the right to penalize and to fine the corn farmer 10 or 15 cents a bushel for every bushel raised. If that were done, then it might be possible to cut the surplus. It would also ruin agriculture.

Mr. CURTIS. Mr. President, if the distinguished Senator will yield further, I wish to say that the time has long since passed when we should have discarded a negative approach to agriculture. This Congress should direct its attention to the greater uses of and greater markets for agricultural products, rather than follow a policy of continual retrenchment. It is entirely possible that if such were done the production monentum would not be even as great as it is now.

There was appointed, pursuant to an act of Congress, a bipartisan commission to recommend industrial uses of our farm surpluses. It is my information that our overall surpluses run only about 7 percent. The world surpluses are in starches, not in proteins. From starches we can, through chemistry, make perhaps almost everything we use in our industrial plants.

Mr. HOLLAND. Mr. President, will the Senator yield for just a moment?

Mr. CURTIS. The Senator from South Dakota has the floor.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from South Dakota yield?

Mr. HOLLAND. Mr. President, a group of us must attend a meeting of the Committee on Appropriations, for a markup. We would like to be present for the vote. I wonder if the Senator will yield so the we may ask for the yeas and nays on the amendment.

Mr. MUNDT. The motion pending is the motion to reconsider.

Mr. HOLLAND. Or on the motion to lay on the table.

Mr. MUNDT. A motion to lay on the table has not yet been made.

Mr. HUMPHREY. Mr. President, at the proper time I shall move to lay the motion on the table, but I have tried to accommodate Senators, at the request of the Senator from Kentucky. I do not think the yeas and nays can be ordered until the motion to lay on the table is made. I did not wish to cut off debate.

Mr. CURTIS. Mr. President, would the distinguished Senator ascertain the attitude of the Department of Agriculture before he presses for a vote on this question?

Mr. HUMPHREY. The chairman of the committee will be in the Chamber in a short time. May I say that there does not seem to have been too much regard for the attitude of the Secretary of Agriculture.

Mr. CURTIS. I pay regular attention to him.

Mr. HUMPHREY. I do not see why we should overburden him at the moment.

Mr. HOLLAND. Mr. President, I believe the request is a reasonable one. Senators would like to be present for the vote. I have no idea how many members of the Appropriations Committee will wish to vote on the question. We would like to be advised and have time to get to the Chamber. The only way that can be accomplished is by having the yeas and nays ordered.

Mr. MUNDT. Mr. President, I ask for the yeas and nays on the motion to reconsider.

The PRESIDING OFFICER. The yeas and nays cannot be ordered on a motion which is not pending.

Mr. MUNDT. The motion to reconsider is pending.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, will the Senator yield further, so that I may complete my thought?

Mr. MUNDT. I yield.

Mr. CURTIS. A distinguished resident of Nebraska, Mr. J. Leroy Welch, headed that commission. I regret to report that a Department of Agriculture has not existed since then which would wholeheartedly grasp the report of that commission and sympathetically and determinedly undertake to put it into operation. Until we have that, I think we shall render a disservice to agriculture.

I wonder if the Senator would agree.

Mr. MUNDT. I invite the attention of the Senator from Nebraska to the fact that on page 94 of the pending bill can be found title V, which was added to the bill on motion by the Senator from South Dakota, which would provide an industrial uses section, which at long last would enable us to go forward with the program of industrial utilization of farm products spelled out in complete detail.

Mr. CURTIS. I understand, but I am speaking of the attitude of the Department.

Mr. MUNDT. So far as the Department is concerned, it has not taken a position on this particular title, which was added in the committee. I hope that the House will approve it. If we pass an agricultural bill, this is the one part of the bill which makes economic sense.

Mr. President, in the event there can be order in the Chamber, I should like to discuss another phase of the bill.

Mr. COOPER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senate is in order. The Senator may proceed.

Mr. MUNDT. Mr. President, I have pointed out that the Ellender amendment not only would shoot price supports out from under the corn farmers, but also would do equally devastating damage to the producers of every other feed grain, because their price supports are necessarily related to the price supports for corn under the Agricultural Act of 1949, and that is spelled out in detail in section 401(b).

In addition to all this, Mr. President, I should like to call the attention of Senators in the dairy field, or whose constituents are in that field or who raise livestock——

The PRESIDING OFFICER. The Senate and the galleries will be in order.

Mr. MUNDT. Mr. President, either we should try to obtain order, or suspend without order, because I hate to be interrupted every 15 seconds by a request for order. If the Presiding Officer will insist upon order, and get it and keep it, we can proceed with much more dispatch.

The PRESIDING OFFICER. There will be order in the Chamber.

Mr. MUNDT. Let us take a look at the livestock industry—hogs, sheep, poultry and cattle. If we provide a situation in which there will be no price supports whatsoever for a basic feed like corn, we shall create chaos in the livestock industry, because the relationship between livestock prices and the prices of basic feeds is well established and is a well-recognized economic principle. Immediately we would create a situation in which a clamor would come forth,

"Now we have chaos on the farms. We have all kinds of disproportionate relationships as between the number of cattle and the number of hogs and the price of corn, and we shall have to have mandatory controls not only on feed grains," as they will tell us, "but also upon livestock."

The amendment, intentionally or unintentionally, puts a loaded gun at the head of every farmer in America, saying, "Look, chum, you had better come along with this compulsory program submitted by the Secretary of Agriculture in January or you are going to go broke whether you raise corn, feed grains, or livestock."

All of the existing safeguards will have been stripped away. All the present protections will ge gone. We shall have to live with this program, which is so devoid of price supports that, to give due credit to Ezra Benson, he never remotely suggested a program as viciously directed against the destruction of price supports as this one which the chairman of the Committee on Agriculture and Forestry has presented before the Senate today.

I think on the call of the roll it will be interesting to note, among the Senators who have condemned and criticized Mr. Benson in the past, how many now propose to support him, after he has gone out, and how many will remain consistent as to an economic position in farm policy, regardless of whether it is espoused by a Democrat or a Republican.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. Certainly, Mr. President, the Senator from Nebraska is within his rights on his request. Every Senator should be interested in the answer. "Where does the Secretary of Agriculture stand today on this new Benson-Freeman program of flexible price supports?"

What is the attitude of Secretary Freeman as an agricultural administrator on the program which he attacked so roughly when he was a politician criticizing Secretary Benson, who then held the job? I think we ought to know what the attitude of the President is. I would be shocked if the President would not veto a bill which would put in motion the program of Ezra Benson, which Candidate Kennedy went from one end of the land to the other to criticize in the fall of 1960. The farmers are entitled to some consistency, and not merely a great deal of partisan palaver about what constitutes a sound economic program for the American farmer.

I urge the Senate, therefore, in the yea and nay vote, to reconsider the amendment, so that at least if the amendment is before the Senate, we can amend it and tailor it to provide some kind of safeguard, security, and protection for the corn farmer, the feed grain farmer, and the livestock producers of America. I hope that no member of the Democratic leadership will move to lay the amendment on the table, thereby publicly proclaiming that the Ellender amendment with its flexible price supports has become the official position of the Democratic Party. I do not know why they have made a complete about-face and suddenly now support the programs of Benson, which they used as a means of attacking Republicans in the last presidential campaign. Let us iron out our differences by reconsidering the action. Let us subject the Ellender amendment to other amendments which might modify it. Then let us continue with the present program for another year so we can consider permanent farm legislation without placing a shotgun at the head of every American farmer and telling him, "Either you surrender your freedom or you surrender your opportunity for success."

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. LAUSCHE. To uphold the Benson philosophy, is it the position of the Senator from South Dakota that Senators would have to support the views covered by the Senator from Louisiana in his amendment?

Mr. MUNDT. There are other ways in which one could uphold the Benson philosophy. I said that the amendment submitted by the Senator from Louisiana contained the Benson program tightened up and made more effective by eliminating even the safeguards incorporated by Secretary Benson when he originated the 0 to 90 percent price support formula.

Mr. LAUSCHE. Is it the contention of the Senator that if the bill were not one which would tighten up and make more rigid the Benson plan, the proposal of the Senator from Louisiana would be acceptable?

Mr. MUNDT. No; I would not accept it. I was opposed to it in its original form, but not because Secretary Benson espoused it. Secretary Benson is a Republican, and I am a Republican. He presented it as a Republican administration measure. It was favored by President Eisenhower, whom I supported. However, two opposed this flexible price support formula when presented by my fellow Republicans and two oppose it now when it has been belatedly embraced by the Democrats.

I was opposed to the legislation because it contained economic fallacies, as I saw them, when the measure was proposed by Secretary Benson and President Eisenhower. I am against them fully as much and for the same reasons, now that they are proposed by a group of Democrats on the floor of the Senate. I am against them more emphatically, because, to give Ezra Benson due credit, when he proposed his flexible price supports, he at least provided some safeguards, some criteria, some measuring rods which gave his suggestion more protective power for the farmer than the present measure would provide. The Ellender proposal would strip away what little protection was contained in the program originated by Secretary Benson.

Mr. LAUSCHE. Insofar as the Benson plan is at issue, how would a Senator have to vote in order to show approval of the Benson plan?

Mr. MUNDT. I suspect if one were a dedicated follower of the Benson concept of farm economics, he would vote for the Ellender amendment, because it out-Bensons Benson. It would take those things about the Benson program which I think are bad for the farmer, and it make them even worse.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MILLER. I should like to make an observation and see if the Senator agrees with me in connection with the statement that the Ellender amendment would out-Benson Benson. I would be inclined to go along with him for the following reason, among others: There is another factor that enters into the whole picture, or will shortly enter into it. That is the factor of the export volume of our feed grains, including corn. Very shortly there will come before the Senate a trade bill. In his message to the Congress, the President pointed out that one reason for the trade bill as drafted by his advisers was to assure a continuation of the export of our agricultural commodities.

Unfortunately, about a week after the President's message to Congress, the Common Market adopted a policy of self-sufficiency in agriculture, a policy with which I know the Senator is familiar. It seems to me that if we should give the President a trade bill with the powers for which he has asked, and a hard bargaining position were arrived at, the question might arise as to whether we are going to continue the agriculture export switch envisioned at the time the President submitted the bill to us. Perhaps the hard bargaining might become a little softer if the proposed legislation were on the books, because the farmers, and not the Government, would pay the price. The farmers would suffer as a result of soft bargaining with the Common Market on the part of the administration. Am I correct in that observation?

Mr. MUNDT. In other words, in bargaining to protect itself, to recapture its investment, and get rid of the corn which it now owns, the Government would merely act as an agent of the farmer, who would be the owner of the corn?

Mr. MILLER. The Senator is correct.

Mr. MUNDT. I agree with the Senator.

Mr. MILLER. I suggest that the proposal is even more vicious in its potential impact upon our farmers than any of the policies attributed to the former Secretary of Agriculture Benson.

Mr. MUNDT. The Senator is correct. In addition to the reasons I previously stated, the measure would eliminate any price support whatever for the farmer. Secretary Benson was willing to settle for a pretty low support price of 60 to 65 percent; he never contemplated pushing it down to zero.

It would eliminate the criteria under which the Benson formula gave direction to the Secretary of Agriculture as to the level at which he had to fix price sup-

ports and the conditions under which they would prevail.

It would put an impossible compunction upon the Secretary of Agriculture by telling him, "You must establish price supports for corn low enough so that not a bushel of corn will be added to the Commodity Credit Corporation surplus." That is merely a longwinded Senatorial filibusterer's way of saying, "You must establish price supports for corn under prevailing conditions at zero."

Mr. MILLER. That would be the situation regardless of how soft the bargaining position might be with respect to agricultural exports in the Common Market.

Mr. MUNDT. Precisely, because the measuring rod is how much corn is there in the Commodity Credit Corporation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. COOPER. The Senator from Ohio [Mr. LAUSCHE] asked about the amendment position. I should like to respond, by stating what I believe the amendment would do.

During World War II, and until the Aiken bill was passed in 1948, and later the Anderson bill in 1949, corn as one of the basic crops was supported at 90 percent of parity. When the Aiken bill was passed, corn was supported at 75 to 90 percent of parity. Under the Anderson bill of 1949, corn was supported at 75 to 90 percent.

In 1958, when the present provision of law was passed, corn was supported at 65 percent of parity, or 90 percent of the average of the market price in the 3 preceding years, whichever is higher.

There has been a floor for corn, since World War II.

The amendment of the Senator from Louisiana would remove the floor. The support would be from 0 to 90 percent. It could be fixed at any point between 0 and 90 percent. For the first time since World War II, the price support floor would be removed from corn.

A second point, which I raised regarding the amendment, goes to the effect it might have on a change in the feed grain program. I believe there should be a change in the 1958 act, relating to corn and feed grains. I do not favor the compulsory program. It may be that farmers at some later date will want a compulsory feed grain program. They do not want one today. If the farmers are given an opportunity to consider the compulsory proposal and all reasonable alternatives, and make their choice—it is all right. But they are the ones concerned, and they ought to be given full opportunity to make the decision in this matter and fair alternatives.

I object to the administration's attempt to stuff down the throats of farmers and of the Congress the compulsory feed grain program, until there has been full opportunity for farmers and the Congress to study it, and a chance to see whether an alternative voluntary program can be adopted.

Mr. MUNDT. Mr. President, I appreciate the Senator's contribution. He has put the alternative before the Senate very clearly. I can see how the Ellender proposal would have the support of two groups of Senators. The first group consists of those who believe in the compulsory program, known as the Kennedy-Cochrane-Freeman compulsory program, which we have before us and which was rejected by the House. Anyone who believes in that program, I suspect, would be in favor of this program, because this loads the gun and cocks the trigger and holds it to the head of the farmer and says, "You are on the way to bankruptcy. You cannot live with zero price supports. Therefore, to survive you must accept our program of compulsory controls and farming operations directed from Washington."

The other group consists of the dedicated disciples of the Benson flexible price support policy, some of whom it seems have been masquerading behind false faces for many years, because they have been attacking it on the Senate floor and on the political hustings, but who now seem to be in the vanguard of those who are supporting his flexible price support philosophy on the floor of the Senate today.

Now that we know who they are, I suspect that they also would support the Ellender proposal, as, of course, will any in this body who favor no farm program at all.

I do not understand how anyone else could support it.

If the amendment stays in the bill I certainly will vote against the bill on final passage, and do everything I can to get every additional Senator to vote against it, because I believe it sounds the death knell to farm opportunity in America. I believe it is the beginning of the end of the family farmer and his capacity to succeed. After 25 years of working with the concept of price support, we now, in one fell swoop, would change it to a minimum price support of zero.

I hope that the leadership on the other side will permit this vote to occur on the motion to reconsider, so we can have an adequate discussion of it and so we can have debate on the merits of it. I hope that the Democratic leadership does not make it official Democratic policy that they support the Ellender amendment by offering the motion to lay on the table, which everyone in the Senate know is always used as an expression of the official policy of the majority party. Let us have free and open discussion. Let us have a chance to argue the issue on its merits. Let us find out, if we can, where the Secretary of Agriculture stands on this revolutionary approach that would alter the whole concept of agricultural legislation after a quarter of a century of working with it and trying to improve it and refine it.

If we do reconsider it, let us try to write something which is adeqate and honest. All of us recognize that the existing legislation needs refinement and needs changes and needs modification. Let us not put ourselves in the straitjacket where there is no choice except to watch the farmers go broke and stay free, or let the farmers become enslaved and entrapped by a compulsory program which can never make the farmers prosperous, but which at best might prevent them from dying in the poorhouse.

It is unfortunate that this debate could not have occurred at the time the amendment was introduced. I trust the Democratic leadership will exercise forbearance and not make it a party issue and a party position and a party policy by offering a motion to lay on the table and thereby stultify the debate. I believe that if we can have the issues ventilated and the Ellender amendment reconsidered the Senate will have a second choice to register its will and express its attitude on this new adventure which is now being proposed for the farmers of America by using them as guinea pigs, but which will have a devasting effect on the producer of every feed grain and ultimately will have its worst impact on dairymen and cattlemen and people engaged in the livestock production in America.

Mr. HICKENLOOPER obtained the floor.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I understand that the Senator from Nebraska must go to a committee meeting, and that he would like to make a brief statement. I therefore ask that I may yield to him for that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, I thank the Senator from Iowa for his unfailing courtesy.

I rise to support the position of those who have spoken against the Ellender amendment and in favor of the motion to reconsider the vote by which it was adopted. I say to my colleague that there is more involved here than simply the reconsideration of an amendment. There is more involved here than simply the removal of the 65-percent floor on price supports for corn. What is involved here is a matter of far-reaching impact as if ultimately will involve not only the corn farmers but also the feed grain farmers and livestock farmers and poultrymen—in short, the producers of all agricultural products.

I say this because the amendment would place in the hands of the Secretary of Agriculture a bludgeoning tool that would put him in a position to force the adoption and approval by the American farmers of a plan which would pretty much follow the plan turned down by the House and defeated there. It calls for compulsory controls on feed grains. There is no question about it. The amendment, if adopted and eventually becomes the law, will enable the Secretary of Agriculture to put price supports at such a low level that the corn farmers of this country will literally crawl on their hands and knees to Congress to ask for what the Secretary of Agriculture wants and what the White House wants and what the leadership of the House and the leadership of the Senate want; namely, a compulsory feed grain program.

We do not need to belabor the point. The position of those who have advocated the compulsory feed grain program has not altered one iota. They are still firmly holding to their original position. Yesterday we heard the chairman of the Committee on Agriculture and Forestry state repeatedly that it is his belief that we ought to adopt the compulsory feed grain program.

That is enunciated notwithstanding the defeat of the program by the House. It is offered in spite of the fact that the House bill, now before us, and as passed by the House not long ago, does not provide for wheat.

Irrespective of those facts, the House leadership, the Senate leadership, the Secretary of Agriculture, and the White House still want the supply management concept of compulsory feed grain control. They are still working for it. Why this concern about it? Is only corn involved? Of course not. As soon as compulsory controls are forced upon the corn farmers of the Nation, we would find soon afterward the same type of program applied to other feed grains.

That would be followed in short order by placing livestock under similar production controls. In turn, poultry, dairy products, and all other products of agriculture would be placed under production controls. That pattern would inevitably unfold.

The designation of the feed grains program as compulsory—which the Kennedy-Cochrane-Freeman program is—is logical and accurate. It was concocted in the mind of Dr. Willard Cochrane, Chief Economic Adviser to Secretary of Agriculture Freeman.

In November 1959, Dr. Cochrane first advocated this theory of supply management of feed grains and other products. As long ago as that he contended, in an article published in the Journal of Farm Economics, that livestock would come under this program. It was not mentioned specifically, nor was it expressly provided for in the omnibus farm bill of 1961. His statement is as follows:

> It is possible that the longrun price elasticity of beef at retail is greater than one, and some remote possibility that this price elasticity at the farm price level is greater than one. For these reasons, beef producers probably would not want to initiate supply control, and they would be justified in sitting out any early moves toward supply control.
>
> It is probably the case, however, that beef producers would be forced to accept supply control if producers in the above aggregate of animal products adopted supply control.

I remind the Senate that in my State roughly 50 percent of the agricultural income is derived from livestock sources. That means a great deal to the people who live in Nebraska and in neighboring States.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. MUNDT. I wonder if the Senator from Nebraska has shared the concern of the Senator from South Dakota over the manner in which the present Secretary of Agriculture and the present administration have beaten a retreat from programs designed to provide adequate farm income almost since the day they took the oath of office. Since 1938, when farm legislation was first written in this direction, parity prices have been the lodestone. We have always tried to provide for the farmer full parity, if possible—and either 90 percent of parity or 65 percent of parity or 70 percent of parity as a minimum floor—throughout the farm belt. For well over 25 years we have been interested in providing parity for the farmer.

I have noticed that two or three times in public meetings the Secretary of Agriculture has been steering away from talking about parity and is now speaking about net income for farmers. I suppose he has been discouraged or embarrassed by the fact that parity has been dropping under his administration; that the farmer has been receiving a smaller percentage of parity under the Democrats than he got under the Republicans. Under the Republicans, it was not good enough; but when parity dropped from 81 to 78 percent and 79 percent the Secretary began to say that parity is not so important; that what we ought to talk about is net income for the farmers.

It was quickly pointed out that net income to the farmer is a meaningless figure, depending on the caprice of weather. Sometimes there is big production and big net income; in some years there is low production and low income. But if we merely talk about net income, without relating it to the costs to the farmer for the maintenance of his family, for the education of his children, and for his livelihood in general, it is a meaningless figure.

But now they have abandoned both parity and net income; and it is proposed to relate the price supports to the amount of stocks of the various commodities in the Commodity Credit Corporation. This has no relationship to the economy of the farmer; it has no relationship to his capacity to survive. Merely to say that we will pay the farmer in conformity with whatever amount of commodities we find in the Commodity Credit Corporation seems to me to be a sad retreat from the position which was announced to us when Mr. Freeman and Mr. Kennedy took office, when they were committed by the promise to provide the farmer with a greater degree of parity. But now they say to the farmer, "We will pay you in conformity with the amount, in reverse proportion, of the commodities we find in the Government storehouse."

Mr. HRUSKA. The Senator is absolutely correct in pointing out these facts. I can recall the years President Eisenhower was in office, when members of the present administration made speech after speech and quotation after quotation from their party platform, to the effect that price supports should be at least 100 percent of parity. They were pleading, "Send us in, coach; we will do the job. We will hit the line hard and see to it that you get 100 percent of parity."

For some reason, with a clear 2-to-1 majority in the Senate, and with an 85 margin in the House, the party now controlling the White House and all the executive departments is retreating from these programs, pledges, and promises. I agree with the Senator from South Dakota.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. MUNDT. Let us consider the farm program as a whole. There are Government price support programs not only for corn, but also for wheat, oats, and other feed grains. There are also price support programs for cotton, tobacco, rice, and peanuts. Does the Senator from Nebraska believe that if Congress in its wisdom should decide to destroy the price support program for corn and substitute some kind of compulsory program for wheat, before long we would have a price support program operating in the case of a few selected crops in the South? Important as our southern comrades are, acting together as they vote, they are only 24 out of 100. If they succeed in having imposed upon the corn and feed grains farm economy the concept that price supports should run down to zero, no doubt there would be a demand upon the Senate and the House that southern farmers also be subjected to the same reductions as have been put upon the rest of the farmers.

Mr. HRUSKA. It would not be very long.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. CAPEHART. Since this proposal is being tied into the stockpile of the Commodity Credit Corporation, and deals exclusively with corn at the moment, I find that 1,650 million bushels of corn are in surplus or in the stockpile. Since the new proposal is to be based upon the support price that the Secretary decides upon, and will be based upon the stockpile of corn, plus what the Secretary anticipates the farmers will grow, why would not a better plan be to freeze the 1,650 million bushels, or a big portion of it, and take it completely out of competition with what the farmer will grow beginning next January 1? Then there would be a free and open market for corn at a much higher price than now exists, and the farmers would be prosperous.

That is my opinion of what should be considered. The stockpile is a liability, not an asset. It has a tendency to depress the prices which are received by the farmers, and it costs the American taxpayers many millions of dollars to store the stockpile. It cost hundreds of millions of dollars to acquire it in the first place. So why is not this a good time to freeze a large portion of it and get the Government out of the agricultural commodity business? I am in favor of doing that, both in regard to corn and in regard to other businesses. Then we could use the corn to feed hungry people in the United States and hungry people elsewhere in the world, and we would get the Government out of the corn business, and we would place the farmers in a position in which they

would grow for the open market, and would get a much higher price, in my opinion, than the one they are getting now.

Mr. HRUSKA. Mr. President, I thank the Senator from Indiana for that alternative suggestion. It is a much better proposal than the one being made by the authors of this amendment.

To show the tendency, I should like to read again from the Farm Quarterly for the summer of 1960, where Dr. Cochrane was interviewed by the managing editor, Charles R. Koch. Here is Dr. Cochrane's answer to a question posed by Mr. Koch:

> It would not be a matter of encouragement; some of them would be forced in. If you had a control on hogs, for example, none on eggs, growers would transfer their corn into the production of more poultry and more eggs. It would be this old transfer of resources devil all over again. The feed resources released from hogs would be put through chickens to produce eggs; and eggs happen to be inelastic in demand, and in just a little bit they'd be in real trouble. The feed grain would also be transferred to beef, and beef producers would feel some pressure.

So, Mr. President, that is the basis for my suggestion and contention that more is involved than the mere elimination of the 65-percent price support as protection for the producers of corn. The impact would ultimately be felt in all facets of agriculture and in all areas of the country. That consideration is in addition to the argument made by the Senator from South Dakota. If this program were to be required as regards corn, feed grains, and livestock, it would not be long before it would be transferred to other basic crops which are now under price supports.

For these reasons, I suggest that the motion to reconsider be adopted.

Mr. ELLENDER. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I am glad to yield.

Mr. ELLENDER. The Senator from Nebraska concedes that in order to carry through what he now suggests, Congress would have to act upon a law which would give that power, does he not?

Mr. HRUSKA. That is true. But the point is that if the Secretary of Agriculture is given those tools to prepare the political climate among the feed grain farmers and the corn farmers, they will be confronted with the prospects of accepting either an inordinately low price support for corn or accepting the compulsory feed grains program or compulsory corn program. The Secretary of Agriculture will have the means within his command to operate on a "rule or ruin" basis. I say we are doing agriculture a disservice if we eliminate from the present law the 65-percent floor.

Mr. ELLENDER. Mr. President, will the Senator from Nebraska yield further?

Mr. HRUSKA. I yield.

Mr. ELLENDER. As the Senator from Nebraska well knows, as chairman of the committee I advocated that retention of the 65 percent of parity support price or 90 percent of the average market price for the last 3 years, but on condition that there be acreage control. But what the Senator from Nebraska is now advocating is that we continue the old law—the 1958 act, which means the planting and cultivation and production of all the corn and other feed grains a farmer desires to plant, with Uncle Sam holding the bag.

Mr. HRUSKA. I do not know that I am advocating the 1958 feed grains program. But it is preferable to the compulsory program which Secretary Freeman has in his hat and would like to impose on the farmers of the Nation.

Mr. ELLENDER. I understand that the Senator from Nebraska voted against the proposal, as submitted in May, to retain the supports at the present levels, with acreage controls.

Mr. HRUSKA. There are many alternatives to the situation which faces us; and they are not confined to the 1958 act alone.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Nebraska yield to the Senator from South Dakota?

Mr. HRUSKA. I yield.

Mr. MUNDT. I can name one of the alternatives, namely, continuation for another year of the present corn program, as was recommended by Secretary Freeman before he read the Cochrane book. He brought that program before the committee last year, and we adopted it. It did cut down the surplus of corn—not to the extent he thought it would, but it did cut it down, even though it did not cut it down to the extent we would wish. But before Secretary Freeman read the Cochrane book, that is what he suggested.

What the Senator from Louisiana says is quite true. He says that before the Secretary of Agriculture could institute a compulsory program—the one which he and Freeman and Dr. Cochrane want—and before he could have complete controls over the farmers under that concept, Congress would have to pass such a law. Of course that is correct.

But does not the Senator agree that Members of the Senate and Members of the House should be entitled to consider reasonable alternative programs for the farmers, and then be confronted with a new administration suggestion next year, rather than be confronted now with a program which is driving farmers to bankruptcy and is bringing chaos to the livestock industry and is forcing the feed-grain producers to shut down their operations? Instead of subjecting the farmers to such desperate conditions, should we not be able to consider the program and debate it during a period of calmness when a good program is being followed?

Mr. HRUSKA. We should, indeed.

Mr. President, I thank the Senator from Iowa [Mr. HICKENLOOPER] for yielding to me.

Mr. HICKENLOOPER. Mr. President, I have been very glad to yield to the Senator from Nebraska. He has given a very lucid explanation, as did the Senator from South Dakota [Mr. MUNDT].

My remarks will be very brief, and will be in the nature of canvassing the agricultural situation with respect to the general posture not only of this amendment but also of the entire bill.

Because so much has been said on the farm issue, both in and out of Congress, during the current session, I feel there is a real need to try to set the record straight as regards to the situation in which we find ourselves today.

First, let me make it perfectly clear that I intend to vote against the current farm bill—H.R. 12391—before this body. The record will show that I voted against S. 3225 when it was passed by a very narrow margin in the Senate several weeks ago. The record also shows that the House on a bipartisan basis would not accept a similar version of this original Senate bill. The record also shows that the House Agricultural Committee tabled—or killed—S. 3225 when it was considered by that body. Now we have the spectacle of another version of this effort before this body in connection with H.R. 12391.

It is my desire to explain briefly why I must vote against this current bill before the Senate. Next, I want to set the record straight regarding the Agricultural Act of 1958. Finally, I want to point out that it would be far better to have no new farm legislation rather than to pass the bill that is before us.

My greatest objections to H.R. 12391 are in connection with title III. This title deals with wheat and feed grains.

This bill contains the latest and most unworkable version of the costly multiple-price plan for wheat. The proposed plan is by far the most objectionable version of any multiple-price plan which has been considered by the Senate since I have been here.

There are many reasons why the multiple-price wheat plan in H.R. 12391 would be bad for farmers, consumers, taxpayers, and for our international relations. I shall list and discuss several of these reasons.

This multiple-price wheat plan if enacted into law would:

First. Guarantee a shortage of needed types of wheat production for the future, because it proposes to cut back all wheat producers the same amount even though the wheat they produce may be in short supply. It does this as a permanent thing by issuing certificates to all producers on a pro rata basis. This will result in inefficiency and higher costs all the way from the producer to the consumer.

Second. Insure that growers of poor quality milling wheat will continue to produce all the wheat they can, because they, too, will get their certificates on a prorata basis. Thus we will continue to pile up unwanted wheat.

Third. Permits all export wheat—including Public Law 480 and other give-away wheat—in the "primary market," along with domestic food wheat. This is an insult to the intelligence of American taxpayers. This move is an inexcusable affront to those who would like to see an honest, fair, and reasonable program worked out for wheat that has some hope of solving the surplus problem.

Fourth. Be most unfair to all feed grain growers because of its Government rigged pricing mechanism, guaranteeing a high price for all domestic food and export wheat—including giveaway wheat—and a feed price for all the surplus. It is unfair because it permits, by Government rigging of prices, a high net blend price for wheat, and thus dumping of feed wheat in an already glutted feed grain market. Feed grain growers have always been willing to compete with wheat growers on a basis of the same rules, but never on a basis of rigged rules. This kind of a dumping operation would disrupt feed grain—livestock ratios to the detriment of livestock, dairy, and poultry producers.

Fifth. Raise the price of flour and bread to consumers. The proponents of the bill say the increase in cost of a sack of flour or a loaf of bread will be small, and the users of flour, including the bakers, say it will be considerable. My judgment would be that the users of flour and bakers of bread are in a much better position to know what the effect on costs in their operations will be. Suffice it to say, however, the larger consumers of flour and bread—many in the lower income bracket—will resent their Government being a part of a rigged program that will increase their basic food costs through a flour or bread tax, even if it should be only 1 cent on a loaf of bread.

Sixth. Permit unlimited discretionary authority to be exercised by the Secretary. If Senators do not believe this, read the original bill carefully and count the number of important areas where the Secretary is granted almost unlimited authority. No industry as important as wheat should be subject to the possibility of some Secretary making political decisions that might be unwise for the whole future of the industry.

Seventh. Cause serious international complications. The President has expressed interest in a high level of international trade. I agree with this objective. The President has also expressed concern about our balance of payment problems and potential Common Market restrictions, especially as they relate to agriculture. I am greatly concerned with these problems. But how can we expect to put into effect the rigged multiple price plan for wheat and not have repercussions, not only in the Common Market countries, but also in other exporting competitor countries such as Canada and Australia?

Eighth. Provide by means of certificates a complicated and little understood plan. It really is a processing tax done up in a new sack. Farmers and others interested in wheat will resist this program because of its complications, uncertainties, and added costs. Bootlegging will be on its way back, not in bottles and jugs, but in sacks and bulk. Whenever the opportunity for a quick buck is available, one will always find some takers. As proof of this, just look at the penalty provisions the proponents have written into the bill. This was also true with prohibition laws, as Senators well remember—and Senators also remember they failed. The door would be wide open for Estes type scandals when people start dealing in certificates.

Ninth. Finally, and most important, this multiple price wheat plan would not solve the wheat surplus problem. Furthermore, it would create many new areas of confusion in the entire wheat industry.

The bill before us also contains a provision to extend the present emergency feed grain program for 1 more year—that is, through 1963.

There is serious doubt that an extension of this present stopgap feed grain legislation would save money.

The emergency program now in effect is the most expensive farm program ever enacted by the Congress. This program was abandoned by the administration earlier this year in favor of an approach which has now been rejected by the House.

Under the 1961 feed grain program, the output of corn and grain sorghums was reduced 421 million bushels; but this was partially offset by an increase of 138 million bushels in soybean production. In terms of corn equivalent, the combined 1961 output of corn, grain sorghums, and soybeans was down only 4.3 percent from 1960. Furthermore, the support price—and consequently the potential cost of price support operations—is almost twice as high per bushel for soybeans as for corn.

There is considerable disagreement as to whether the 1961 feed grain program saved money. The answer depends on the assumptions that are made. Assumptions can be selected to yield any desired answer. Those who argue that money was saved are largely relying on unproved estimates of what might have been." For example, in its analysis of the 1961 program, the USDA assumed that only 2.4 bushels of a 7.3-bushel increase in corn yields and 0.8 bushels of a 4-bushel increase in grain sorghum yields resulted from the program, and disregarded an increase of 138 million bushels in soybean production. Even so, it was able to show savings in comparison with the program previously in effect only by assuming that the grain that allegedly would have been produced without the 1961 program would have been stored for 9 years in the case of corn and 11 years in the case of grain sorghums. These assumptions are highly unlikely in light of current upward trend in feed grain consumption.

The July 1, 1962, crop report has been cited as evidence that the emergency program is accomplishing its objective. This report showed a reduction of 3 percent for 1962 production from the final 1961 estimate of corn production, but it should be compared with the July 1961 estimate. On the basis of July 1 crop reports, estimated corn production is up almost 11 percent this year over 1961.

Furthermore, the "emergency" feed grain program and the method in which it has been administered has been devastating to the market system for corn and other feed grains. Under the 1961 feed grain program, the CCC sold over 600 million bushels of corn at an average price of $1.02 per bushel. At the same time it was selling this corn and depressing the market, a total of 658 million bushels of 1961 corn was placed under price support loans and purchase agreements. This was an all-time high and in excess of the amount put under loan during 1959 and 1960 when the Agricultural Act of 1958 was in operation. There is a good chance that all of the corn sold under the 1961 program will be replaced with new "takeovers" at a support price of $1.20 per bushel. If this happens, the direct added cost of this manipulation of CCC stocks will be in excess of $100 million. Additional losses were incurred by selling grain sorghums for less than the support price.

In addition, during the first 9 months of the 1961–62 marketing year, which began last October 1, the farm price of corn averaged 98.1 cents per bushel in comparison with the 1960–61 season average of 99.6 cents per bushel. This happened in spite of the fact that the support price was raised for the 1961 crop from $1.06 to $1.20.

It has obviously been the intent of the administration in administering the "emergency" feed grain program to depress market prices for corn and other feed grains. This has been done by selling CCC corn to honor the certificates issued in connection with the program. This was done early in the marketing season in order to hold down market prices and penalize the noncooperators. Such Government action is incomprehensible if one believes in the market system, as I do. If this kind of a program continues, we obviously will not only disrupt the market system for corn and feed grains, but also the market prices of livestock, dairy products, and poultry and eggs. All that is needed is a little more time and this surely will happen.

I would also point out that the cost in the form of direct payments for the 1961 feed grain program approximated $800 million. The best information I have available at the moment with respect to the 1962 feed grain program is that it will cost in excess of $900 million. What a price for taxpayers to pay with so little accomplishment.

Now I would like to go back and review briefly the Agricultural Act of 1958 known as Public Law 85–835. This act was passed by a Democratic Congress on a bipartisan basis with a Republican in the White House.

That is the act of 1958, which has been cendemned by many. I repeat that this act was passed by a Democratic Congress on a bipartisan basis with a Republican in the White House. To be sure that Members of this body recall how unanimously this bill originally moved through the Senate, I remind Senators that on July 25, 1958, it passed the Senate by a vote of 62 to 11.

Contrary to some statements being made by people that should know better, the Agricultural Act of 1958 covered not only corn and feed grains but also two other very important basic commodities—cotton and rice. I well recall that one of the reasons there was so much support for this act was the fact that rice farmers were faced with an acreage

cut of about 40 percent and cotton farmers about a 25-percent cut, if no new legislation were passed. Farmers had also demonstrated by their own action that they were, by a high majority, ignoring corn allotments. Marketing quotas on corn had been removed from the law by the Congress in 1954 because the Congress knew the impossibility of such a program ever being adopted and enforced on feed grain farmers and livestock producers. Primarily because feed grain farmers, cotton farmers, and rice farmers all were faced with real difficulty, there was tremendous support for the 1958 act.

In my judgment, this act has not been wisely administered since the current Secretary of Agriculture took office. As my southern friends in the body well understand, the support prices were lifted on both cotton and rice in 1961 and for 1962—and, more important, were moved in the opposite direction from that intended by the Congress when it passed the 1958 act. In my opinion, this is one reason why cotton is now in real difficulty, and also the reason why both the cotton and rice programs have become excessively expensive when one takes into consideration the high export subsidy and the lavish use of Public Law 480 giveaway funds in moving these two commodities into export.

As far as feed grains were concerned, Secretary Freeman decided to raise the price support on corn and all other feed grains including oilseeds and was, along with the Congress, also responsible for the enactment of the 1961 emergency feed grain program which, of course, temporarily set aside the 1958 act.

As I said earlier, I voted against this legislation, and I am more convinced today than I was a year ago that it will not solve the problem. In my judgment, if the Agricultural Act of 1958 for feed grains had been permitted to operate during 1961–62—with the terrific increase we have had in corn consumption in this country—we would have been well on our way to a permanent solution of the feed grain problem. Corn price supports would have been reduced and other feed grains reduced similarly, which would have helped increase still further the disappearance of feed grains by livestick producers. The USDA estimates the 1961–62 utilization of corn at 3,933 million bushels, which is more than the 3,908 million bushels produced by the record 1960 crop. We now are consuming and exporting more corn than we have ever produced in a single year, including the years 1959 and 1960, in which corn was supported without any acreage limitation.

In conclusion, I state again very bluntly that what we need is proper administration of the Agricultural Act of 1958 as far as cotton, rice and feed grains are concerned. If this is done, we have no need for the expensive temporary programs we have had on the statute books in 1961 and 1962.

One other word in order to set the record straight as regards wheat. Many people have erroneously indicated that our wheat problem was brought about by the Agricultural Act of 1958. The truth is that wheat is not dealt with in the Agricultural Act of 1958. The basic wheat program we will revert back to—if the temporary, expensive, and ineffective 1962 "emergency" wheat program is not extended—is the 1938 basic law as far as acreage is concerned and the 1949 law as far as price supports are concerned. Under this law the Secretary has already announced a reduced price support of $1.82 per bushel for 1963. This move alone means a saving of 18 cents a bushel on every bushel of wheat exported. At the 1961–62 level of exports—710 million bushels—such a reduction in export subsidy costs would result in a saving of $128 million. In my judgment, this basic legislation is much to be preferred to the complicated and costly multiple price plan proposed in H.R. 12391.

Most members of the Senate realize that earlier in this session I introduced a bill, S. 2822, along with the Senator from Utah [Mr. BENNETT] and my colleague from Iowa [Mr. MILLER] known as the cropland retirement program. This bill, if enacted into law, would move further in the direction of freedom for individual farmers to make their own decisions in what they plant on their crop acres. It would relate support prices to recent average market prices and would help eliminate much of the cost of current farm programs. In my judgment, such action, together with an extension of the expiring conservation reserve contracts, would help us on our way to a solution of not only the so-called feed grain and wheat problem but also—if used in connection with proper administration of the Agricultural Act of 1958—would go a long way toward solving our problems in the whole agricultural field in a way that would protect farm income. I realize it is too late in this session of Congress to expect this program of mine to be enacted this year. I would suggest, however, that we not muddy up the water further by passing the current bill before us, H.R. 12391, but rather vote it down. We would then revert back to the basic legislation, and, in my judgment, would be much better off than if we adopted this costly, ineffective bill now before us.

Mr. President, in connection with the proposal to reconsider the amendment which was made awhile ago, which has been previously discussed, a great many Senators were absent from the Chamber at the time the amendment was agreed to. I earnestly hope, in the interests of satisfactory procedure, since this has been done time and time again in the Senate procedure, because there were so few Senators present at the time the amendment was adopted, that we can avoid any long controversy about reconsideration of the amendment, about tabling a motion to reconsider, or procedural matters of that kind. I appeal to my friends in charge of the bill to see if they cannot voluntarily—in the interests of permitting every Senator to know about this issue and to have an opportunity to vote on it—consent to a reconsideration of the vote on the amendment, without going through the mechanics of repeated voting, so that all Senators will be satisfied and be put on notice as to the vote on the amendment.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the motion to reconsider the vote by which the Ellender amendment to the committee amendment was agreed to.

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate very long. Yesterday I delivered a speech which emphasized the reason for the adoption of such an amendment as was adopted by the Senate.

I was not too well impressed by the arguments made by my good friends from South Dakota and Nebraska. They admit that, in order for the Secretary of Agriculture to be in a position to do the evil things they contend he might do, he would have to come to Congress and ask Congress to give him such power.

The sole purpose of the amendment is merely to remove that portion of the 1958 act which makes it obligatory on the part of the Secretary of Agriculture to support the prices of corn, sorghum, and other feed grains at 65 percent of parity or at 90 percent of the average price for the previous 3 years, without any limitation as to quantity to be produced. That is the purpose of it. I so stated when it was submitted. I am glad that my good friend the Senator from Vermont [Mr. AIKEN] favors the amendment that I offered.

In the meantime, if the farmers of the country desire legislation, they can have it. They can appeal to their Senators and Representatives. But I emphasize that the Secretary of Agriculture will be unable in any manner to control the acreage to be planted to corn and other feed grains unless Congress gives him the authority to do so in the future.

Before the amendment was agreed to there was a quorum call. I think the measure has been sufficiently debated. I am sure every Senator knows what it is all about, and there would be no point in rehashing it. Therefore, I move to table the motion to reconsider the vote by which the amendment to the committee amendment was agreed to.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The motion is not debatable.

Mr. LAUSCHE. Mr. President, will the Senator withhold his motion?

Mr. ELLENDER. Mr. President, I withhold the motion.

Mr. LAUSCHE. Does the Senator from Louisiana have any alarm at the thought of placing in one man, the Secretary of Agriculture, the great power of determining, within the range of 0 to 90 percent, what amount shall be paid to the farmers? I cannot conclude that we ought to assign to one individual, regardless of how good he may be and how genuine his motives, the great power of telling the farmers of the Nation, "I will determine what price support you shall get. I will determine, if I deem it advisable, to give you nothing. I will have to do so especially if price supports would increase the amount of corn and thus

add to the quantity of corn held by the Commodity Credit Corporation."

Should we give to one man who is politically minded, as I am, such great power?

Mr. ELLENDER. Mr. President, that power has been given to the Secretary of Agriculture in the past. It was given in the 1949 act. The Secretary now has the power to fix the price supports on soybeans as well as other commodities. He has that power now. What I wish again to emphasize to the Senate is that corn producers seem to get the best of everything by way of price supports without limitation. Mr. President, it seems to me there should be no objection on the part of the producers of corn to curtailing their acreage in order to get a fair price support. It would do for corn the same as we do for cotton and other commodities.

We are told that we cannot deal with corn as we deal with cotton and other commodities because 85 percent of the corn is fed on the farm. I have heard that argument ever since I first came to the Senate. Yet we have in storage more than 2½ billion bushels of corn and other feed grains, at great cost to the taxpayer.

What I am trying to do is to change the law which forces the Secretary of Agriculture to provide price supports on unlimited production when we have those products running out of our ears at present. That is the whole issue.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. I recognize the cost of this farm program. But I also recognize that throughout the years changes have been made in attempts to cure what was wrong only to find that with every wrong cured, two or three new problems were created.

I now get to the basic proposition. Regardless of what is contained in other laws, is it wise to give to one man, with political concepts or without them, the great power of determining, without any floor or ceiling, what he may do in dealing with the farmers of the Nation? That is the problem that confronts me. Based upon what I have seen of the use of power in high public office, I am becoming more and more impressed with the precept that I heard years ago: Put a leash on your public officials. Give them only limited power. Do not allow them, according to their whims, caprices and fancies, to determine what laws should be. The Constitution has provided that the Congress shall pass the law and fix the ceiling and floor of price support.

Mr. ELLENDER. That is what the Congress is doing in the proposed legislation. Someone must administer the program. We give the power to the head of the Department of Agriculture to administer the program, as we have in the past.

In the case of wheat the Secretary of Agriculture cannot say what price shall be offered. It is fixed in the act from 75 to 90 percent of parity, and depending on the supply on hand, he can vary the support price. But the yardstick is spelled out. It is fixed in the law. I wish to be perfectly frank with Senators. The Secretary of Agriculture will be absolutely and positively powerless to control in any manner the production of corn and other feed grains if the amendment is agreed to.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I agree with the last statement of the Senator. However, that does not mean that Congress cannot do something about the problem.

Mr. ELLENDER. It would have to be done by the Congress.

Mr. MILLER. That is correct. It is said that the Secretary would really be powerless. That is true, but that is one reason why we have the Congress to do something about it. I cannot see the purpose of the Senator's argument. It is still the responsibility of Congress to do something about the situation.

Under the 1958 act, roughly, the support price for corn would be around $1.04 to $1.06. If we take 65 percent of parity, which is $1.60, we would get $1.04; at 90 percent of the average for the last 3 years we would get $1.06. Does the Senator think that that amount of price support is unreasonable?

Mr. ELLENDER. Without production controls yes. Farmers produce in abundance. As I pointed out yesterday, in 1960, before the emergency programs were placed on the statute books, we had accumulated 84.7 million tons of corn and other feed grains.

Through the first emergency program, in 1961, we reduce it to 73 million tons. In 1962, this year, we expect to reduce it to 61.3 million tons, and about 1963, if the bill goes through and the emergency program is reinstated, there will be in my opinion a further reduction to 49.6 million tons, about the amount we had on hand in 1956, which may be more nearly a normal carryover.

Mr. MILLER. I am not sure what the tonnage figures are, but I believe the Senator's tonnage figures related to feed grains. His present amendment relates to corn. That is what I am really interested in. As I understand the situation from our colloquy of yesterday, we now have on hand about 1.6 billion bushels of corn.

Mr. ELLENDER. We also have on hand 700 million bushels of sorghums, 276 million bushels of oats, and 122 million bushels of barley.

Mr. MILLER. My point is that we are talking about corn.

Mr. ELLENDER. Yes.

Mr. MILLER. I am interested in the corn farmer. What the Senator is saying is that we now have on hand 1.6 billion bushels of corn.

Mr. ELLENDER. Yes.

Mr. MILLER. That is about a 5-month supply, according to the Department of Agriculture. I tried to elicit this information from the Senator yesterday. What I am trying to find out is whether he, the Secretary of Agriculture, or the President, has a target with respect to the amount that we should have on hand. From all the arguments I have heard thus far on this subject, I did not know but that 1.6 billion bushels might be exactly the right amount. There are some in the Defense Department who feel that we ought to have a 5- or 6-month reserve of feed on hand.

So I come back to my original question of yesterday: What are we trying to do? What does the Senator want to do? He is talking about surpluses. I recognize that we have surpluses. The question is, Should we reduce the surplus of corn below 1.6 billion bushels, or is it all right? If we should reduce it, by how much should we reduce it?

Mr. ELLENDER. Mr. President, as I pointed out yesterday to my good friend from Iowa, in 1950 the amount of corn on hand was 844 million bushels, with nearly 60 million bushels of grain sorghums on hand. Today we have on hand 1,650 million bushels of corn and grain sorghums. To me that is excessive. We must keep on hand all of this excess at a great cost to the Government. As I pointed out in the RECORD—and I placed a great many tables in the RECORD yesterday—corn and other feed grains and wheat cost the taxpayers $900 million a year to store.

Mr. WILEY. For storage.

Mr. ELLENDER. For storage. I am trying to get rid of it.

Mr. MILLER. Will the Senator please tell us, when he uses the word "excessive," how excessive he thinks it is? Is the excess 1 bushel or what?

Mr. ELLENDER. Has the Senator any idea what it ought to be?

Mr. MILLER. There are some in the Defense Department who think there should be a 6-month reserve.

Mr. ELLENDER. In case of war, that is correct. What I should like to do is to have the Senate adopt this proposal, and then return in January and do something about it. Let me again emphasize that 3 years ago, when we tried to deal with corn and wheat, we adopted an emergency program, so that in the meantime we could draft suitable legislation. We have had to renew the emergency programs from year to year. Up to the present we have not provided permanent legislation. That is what I hope to do by the adoption of the amendment.

So far as I am concerned, I will never again vote for these emergency programs unless at the end of the emergency there is permanent legislation. That is what I am trying to provide. I tried to do it in May by offering a permanent program, and I was successful. The Senate voted for it. However, we were stymied in the House. I wish the Senate to go along with me now, and adopt the same kind of program that I advocated last May. However, I am a realist, as I said yesterday. Although I would like such a provision, I know what we are confronted with in the House, and I know it would encounter severe opposition there and we could not enact a bill containing such a provision.

However, by the adoption of the amendment the emergency program would be extended for another year and we would reduce the carryover to about

49.6 million tons of corn and other feed grains, which might be normal, and might represent a 4½- or 5-month carryover.

Mr. MILLER. Is the Senator answering my question regarding the objective?

Mr. ELLENDER. We would leave it in the hands of the farmers or producers to keep the production in line with what the needs are, and not let Uncle Sam carry the expense, as he is now doing. We must consider not only the farmers, but also the taxpayers. As I pointed out yesterday, the RECORD is replete with tables that were placed in it, which indicate the great cost of this program to the taxpayers. It is time now to stop it.

Mr. MILLER. I am completely sympathetic with the Senator's concern about so-called emergency legislation. I do not like the word "emergency." I would like to see us get some permanent legislation on the books. However, that does not necessarily mean that we must adopt this particular amendment. There are other ways of handling it. One is to have no bill and go back to the 1958 law. What I am still trying to find out, and what I believe other Members of the Senate are still trying to find out, is what the President, the Secretary of Agriculture, and the chairman of the Committee on Agriculture and Forestry say is the proper objective with respect to surpluses?

Mr. ELLENDER. We will find it out for the Senator in January when hearings are held on the program. I do not know. The Senator knows as well as I do what the carryover ought to be. I do not know, of course.

Mr. MILLER. If the Senator does not know——

Mr. ELLENDER. As I pointed out the other day, under the law when the corn provision was enacted, it was thought that a reasonable carryover was 15 percent of our domestic consumption and our exports. In the case of rice it was 10 percent of our exports and domestic consumption. In the case of cotton, it was 30 percent. It may be that if and when we consider permanent legislation for corn we may raise the limitation of 15 percent to perhaps 20 percent or 25 percent. I do not know.

Mr. MILLER. If the Senator does not know—and I certainly do not know either—it seems to me that the Secretary of Agriculture ought at least to give us his recommendation before we start operating on such drastic legislation as that now before the Senate.

Mr. ELLENDER. In the amendment we propose we ask the Secretary to get in touch with the farmers and with all those engaged in agriculture and try to find out for us what legislation would best suit their purposes.

I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to ask the chairman of the committee a question for the purpose of clarification. His amendment has two paragraphs, (a) and (b). The first paragraph relates to the permanent support provisions for corn. The second paragraph reads:

(b) The Secretary of Agriculture is directed to consult and advise with farmers, farm organization, and such other persons or groups of persons as he determines concerning the need for new legislation for feed grains, to the extent he deems such consultation and advice necessary or desirable, and to make specific recommendations for feed grains in the form of proposed legislation which shall be submitted to the Congress as soon as practicable during the next session of Congress.

Inasmuch as paragraph (a) provides what might be considered to be permanent legislation with respect to the price support level for corn, am I correct in assuming that paragraph (b) relates primarily to other feed grains, such as sorghum, oats, and barley?

Mr. ELLENDER. It deals with all the feed grains.

Mr. AIKEN. And their relation to corn?

Mr. ELLENDER. Yes.

Mr. AIKEN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

Mr. HUMPHREY. Mr. President, on this question I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, what is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment of the Senator from Louisiana [Mr. ELLENDER] was agreed to.

Mr. DIRKSEN. Mr. President, a parliamentary question.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. On the motion to table, a vote "yea" is a vote to refuse to reconsider the amendment offered by the distinguished Senator from Louisiana?

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. A vote "nay" is a vote to reconsider the amendment on its merits?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. SYMINGTON], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Colorado [Mr. CARROLL] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Delaware [Mr. BOGGS and Mr. WILLIAMS], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent. If present and voting, the Senators from Delaware [Mr. WILLIAMS and Mr. BOGGS] would each vote "yea."

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from California [Mr. KUCHEL]. If present and voting , the Senator from Pennsylvania would vote "yea," and the Senator from California would vote "nay."

The result was announced—yeas 58, nays 23, as follows:

[No. 209 Leg.]

YEAS—58

Aiken	Hill	Monroney
Bartlett	Holland	Morse
Burdick	Humphrey	Moss
Byrd, Va.	Jackson	Muskie
Byrd, W. Va.	Javits	Neuberger
Cannon	Johnston	Pell
Case	Jordan, N.C.	Prouty
Chavez	Keating	Randolph
Dodd	Kefauver	Robertson
Douglas	Kerr	Russell
Eastland	Long, Mo.	Smith, Mass.
Ellender	Long, Hawaii	Smith, Maine
Engle	Long, La.	Sparkman
Ervin	Magnuson	Stennis
Fong	Mansfield	Talmadge
Fulbright	McCarthy	Williams, N.J.
Gore	McClellan	Yarborough
Hart	McGee	Young, Ohio
Hartke	McNamara	
Hayden	Metcalf	

NAYS—23

Beall	Dirksen	Pearson
Bennett	Goldwater	Proxmire
Bottum	Hickenlooper	Saltonstall
Bush	Hruska	Thurmond
Capehart	Jordan, Idaho	Tower
Carlson	Lausche	Wiley
Cooper	Miller	Young, N. Dak.
Curtis	Mundt	

NOT VOTING—19

Allott	Clark	Pastore
Anderson	Cotton	Scott
Bible	Gruening	Smathers
Boggs	Hickey	Symington
Butler	Kuchel	Williams, Del.
Carroll	Morton	
Church	Murphy	

So the motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, to the committee amendment, as amended, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The amendment of the Senator from Illinois, to the committee amendment, as amended, will be stated.

The CHIEF CLERK. In the committee amendment, as amended, on page 55, after line 19, it is proposed to insert the following new section:

SEC. 304. The Commodity Credit Corporation shall not sell corn or other feed grains in CCC stocks for unrestricted use at a price less than the 1962 price-support level plus all carrying charges.

Mr. DIRKSEN. Mr. President, this amendment is very simple. It merely hobbles the Commodity Credit Corporation with respect to the price at which it may put corn and feed grains on the market. It provides, in the case of corn or its equivalent in feed grains, a price of $1.20, plus carrying charges. $1.20 happens to be the 1962 price support price. So I want all Senators to know precisely what the amendment does.

Mr. President, there is a reason for the amendment. When the Secretary of Agriculture appeared before the House committee in February, he there unfurled the so-called ABCD program, which was the program for abundance, balance, conservation, and development; and in connection with that program, the Secretary made a statement. I now read from pages 16 and 17 of his statement, as follows:

Under our recommended program for wheat, as for feed grains, marketing quotas and acreage allotments would be established, land would be diverted to conservation usage, quotas would not go into effect until approved by two-thirds of the producers, and supports would be available only if quotas are approved. The reduction of stocks held by the Government would be reduced by the producers themselves if they approve the quota. If they did not approve such quota any stock reduction would have to depend on Government action, and the CCC would therefore be authorized to sell up to 10 million tons in the case of feed grains and up to 200 million bushels in the case of wheat.

Mr. President, those are not my words; that is what Secretary Freeman stated on February 7, when he was testifying before the House committee, and that is what he stated at the time when he said that "unless it is democratically approved by two-thirds of the producers," the Commodity Credit Corporation would have authority under that original bill to dump 10 million tons of feed grains and 200 million bushels of wheat.

Mr. President, I cannot imagine a greater bludgeon to be put into the hands of any administrative officer of this Government than the right to dump upon the market, without restraint, whatever we had in stocks, at a price which he might determine, a price which in his opinion was best suited to the situation confronting him.

All this amendment does is to say, "Do not sell for less than the 1962 support price"; and that equates at $1.20 a bushel, plus the carrying charge, on corn. Without this amendment, a sword of Damocles would hang over the producers. They would be confronted with a bludgeon or a threat. They would be told, "Either two-thirds of you vote for this"—under what the Secretary calls "the democratic process"—"or I am going to dump this stuff on the market, and I am going to beat down the price level, and you will wish to your dying day you had accepted my proposition."

That is the thing that has affronted the producers of the country. To take that kind of approach reminds me of the ditty we heard back in 1898. When we were having trouble with Aguinaldo in the Philippines, somebody wrote a little ditty. I have forgotten most of it, but one line I have never forgotten, because it went, "And civilize them with a Krag."

A Krag was one of the most modern rifles at that time. That was the way to civilize them. Either get rid of the surpluses by the "democratic" process and enslave themselves by a two-thirds vote, or else the Department wants authority to dump up to 10 million bushels of feed grains and 2 million bushels of wheat. What a weapon in the hands of an administrative officer in a free land.

I want to say, with respect to the amendment, if the Secretary or the Commodity Credit Corporation is going to sell the commodities, then he or it will have to sell them at not less than the support price for 1962, which is $1.20 a bushel, plus carrying charges. It is very simple.

On the amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. ELLENDER. Mr. President, the Senator from Illinois may not have to have a rollcall, because I am going to offer a substitute which may be acceptable to the Senator.

Mr. AIKEN. Mr. President, I do not think the amendment offered by the Senator from Illinois is quite as acceptable as some of my colleagues may think for things are not always what they seem. I must say, after the last vote, I think anyone will be excused for being a bit confused, because I never expected to see a vote in which all but two Democrats voted for flexible supports from 0 to 90 percent of parity and all but seven Republicans voted for a high minimum support price, which our leadership has opposed for the last 20 years. Nevertheless, we have seen it.

The effect of the amendment of the Senator from Illinois would be to raise corn prices to the highest level they have reached in recent years. Much of the corn which the Commodity Credit Corporation has on hand was acquired at $1.06 a bushel, which was the support price up to last year. Then Secretary Freeman, unwisely, raised the support price to $1.20 a bushel.

The amendment of the Senator from Illinois would prohibit sales of corn, regardless of when acquired, at less than $1.20 plus carrying charges. Unfortunately, the farmer for years has not received support prices for his corn. All last fall, farmers were selling corn at 90 cents to a dollar a bushel, just as they had the previous year. After it got out of the farmer's hands, the price got up to $1.12 or $1.15. Dealers cannot be expected to handle it for nothing. The latest price is $1.13 a bushel.

I am afraid that, under the amendment of the Senator from Illinois, the price would go up to nearly $1.40 a bushel.

I do not approve of the Commodity Credit Corporation or the Secretary of Agriculture breaking the market for corn growers or other farm producers, but I believe if they were prohibited from selling corn on hand for less that $1.20 plus carrying charges, the price of corn would skyrocket. It would be felt by every poultryman, every livestock grower, every dairyman in the country, and the increased cost would have to come out of his pocket or it would have to be added to the price to the consumer.

While I have felt the Department has abused its authority from time to time, yet we do not want to legislate such abuses—or perhaps I should call them advantages—into the law. It certainly would have no other effect than to increase the consumer's cost and the cost of the livestock grower, the dairymen and the poultry growers of America.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I thought I had given up the floor.

Mr. MILLER. I should like to ask the distinguished minority leader, as a matter of making sure what the legislative intent is, whether the price support he refers to means the support price for No. 1 corn. For example, would it be $1.20 for No. 1 corn, but would the support price for older corn be less? Is it the intention of the Senator from Illinois that that would be the basis, rather than $1.20 on all corn?

Mr. DIRKSEN. It would be worked out on a formula basis by the Department.

Mr. MILLER. But it would definitely be based on the grade of corn.

Mr. DIRKSEN. That is correct.

Mr. ELLENDER. Mr. President, I anticipated that such an amendment would be offered. As a matter of fact, I would have attempted to offer it myself. I see what could happen to the market price of corn and feed grains if the carryover was such a large amount and the Secretary could sell at his will, whatever the market value was.

I am going to suggest to the Senator from Illinois that he modify his amendment to conform with my own. Otherwise, I will offer it. It would read as follows:

Effective with the beginning of the marketing year for the 1964 crop of such commodity, the minimum sales price for sales of corn, oats, rye, barley, and grain sorghums from stocks of Commodity Credit Corporation shall be 65 per centum of the parity price for such commodity as of the beginning of the marketing year, plus reasonable carrying charges.

Mr. DIRKSEN. Will the Senator express it in terms of prices?

Mr. ELLENDER. That would be about $1.04 or $1.06 a bushel.

Mr. DIRKSEN. I did not pick this figure out of the air. I geared it to the price support level for 1962. I did not determine the level. It was determined by the Secretary of Agriculture.

Mr. ELLENDER. That was a special price in order to have some acres diverted. It was just a little honey that the Secretary of Agriculture extended in order to encourage more diverted acres. I believe 65 percent would be fair, since most of the corn now on hand was taken at a figure of 65 percent of parity.

Mr. DIRKSEN. I must say my distinguished friend from Louisiana uses a most engaging term when he uses the word "honey." That club had to have a lot of honey on it when it was being gotten ready to be used as a bludgeon. But what about the carrying charge?

Mr. ELLENDER. It is there.

Mr. DIRKSEN. I suggest the Senator read it again for the benefit of the Senate.

Mr. ELLENDER. It reads:

Effective with the beginning of the marketing year for the 1964 crop of such commodity, the minimum sales price for sales of corn, oats, rye, barley, and grain sorghums from stocks of Commodity Credit Corporation shall be 65 per centum of the parity price for such commodity as of the beginning of the marketing year, plus reasonable carrying charges.

Mr. DIRKSEN. That gives the Secretary some latitude about what the carrying charge is, because we envision the carrying charge as a charge including storage. He may well say, "I do not propose to pay out that much. I think so much per bushel should be paid." Yet it might be an unreasonable concept because the actual cost might be more than that.

I should like to have the legislative record made, to see how this equates in terms of dollars and cents.

Mr. ELLENDER. The 65 percent would be about $1.04, or $1.06. Then there would be added the "reasonable carrying charges."

All I did was to copy what is now in the law. The Senator well knows that a good deal of corn and other feed grains have been in storage 4 or 5 years. If one were to add all of those charges, it would make the price of corn go up considerably. That is why we have in the law the word "reasonable," so that the circumstances can be taken into consideration.

Mr. DIRKSEN. I did not think that club Mr. Freeman was going to wield all around the place was very reasonable, because I could not see sweet reason in getting bashed over the head with a club when he dumped the feed grains and corn on the market and said, "Take that or leave it."

Mr. ELLENDER. I have the utmost of faith in my good friend Orville Freeman. I think he wants to do a good job. I think he wants to assist the farmers. I do not think there is any question about it. I believe his effort is to try to educate the public.

After all, the farmer does not get all of the profits which come from these high prices. The middlemen are getting a lot of them.

I am willing to trust the Secretary to do a good job under this provision.

Mr. DIRKSEN. I feel my own spirit is a little wanting, and I may be charged as a sinner whose faith quotient is not quite so high, when it comes to Brother Freeman. That is not personal. That is only in respect to administrative actions he takes and in respect to proposals he advances to the Congress.

Mr. President, I will not quarrel about it. I am willing to accept this language as a substitute, in the hope that if it needs some further tinkering, that can be done, probably, in conference, if the bill gets to conference, or in the House of Representatives.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask if the amendment, as modified, would cover grain out of condition or threatening to go out of condition?

Mr. ELLENDER. No.

Mr. AIKEN. Mr. President, as I understand, even the proposed modification of the amendment, by the Senator from Louisiana, would have the effect of raising the price of corn something like 10 cents a bushel above the present market price. I wish to have the RECORD show that I do not think it would be wise to raise the price of corn above the present market price. I have received no complaint from farmers about the price of corn, which is, I think, $1.13 a bushel today. This proposal would make it $1.05 a bushel plus carrying charges, which would be perhaps another 15 or 20 cents.

Mr. DIRKSEN. Mr. President, I concur in the substitute and I withdraw my own amendment, and I ask that the order for the yeas and nays be withdrawn.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Mr. President, I wish to say that the amendment, which is now the result of some conciliation and deliberation among the Senator from Illinois, the Senator from Vermont, and the Senator from Louisiana, is much needed, particularly with the extension of the voluntary program, because if there should be dumping, it could be very injurious to the market and to the producers.

The amendment is a reasonable one. I am hopeful that it will be accepted by the Senate.

The PRESIDING OFFICER. Is there objection to the request to withdraw the order for the yeas and nays? The Chair hears none, and it is so ordered.

Mr. ELLENDER. I send forward the amendment, as a substitute.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 55, after line 19, it is proposed to insert a new section, as follows:

SEC. 304. The Agricultural Act of 1949, as amended, is amended by inserting after the third sentence of section 407 the following: "Effective with the beginning of the marketing year for the 1964 crop of such commodity, the minimum sales price for sales of corn, oats, rye, barley, and grain sorghums from the stocks of Commodity Credit Corporation shall be 65 per centum of the parity price for such commodity as of the beginning of the marketing year, plus reasonable carrying charges."

Mr. AIKEN. Mr. President, in view of the fact that the amendment offered by the Senator from Louisiana would not take effect for 2 years, it would be more acceptable than the amendment offered by the Senator from Illinois, which had no effective date. It is a certainty that we shall have at least two more farm bills presented to Congress before 1964. It is also probable, considering the shrinking supply of feed grains in this country and the intent to shrink them still further, that the market price might increase by 1964 to the amount which is designated in the modification of the amendment offered by the Senator from Louisiana.

While I would not wish to have the RECORD show I am voting for the amendment, it is not so harmful as it appeared at first glance.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois, as modified, to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, there are several other amendments to be offered. I visited with the Senator from South Dakota [Mr. MUNDT], who wishes to offer a key amendment, a very important amendment.

I should like to propound the unanimous-consent request that upon the Mundt amendment, to be offered, there be 1 hour of time, the time to be equally divided between the Senator from South Dakota and the Senator from Louisiana, and, of course, that the unanimous-consent request carry with it the rule of germaneness, as is typical in unanimous-consent requests.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. MUNDT. Mr. President, I agreed with the acting majority leader as to the limitation of time on my amendment. The Senator did not identify the amendment in question, but the amendment he had in mind, I am sure—and the amendment I had in mind—was my amendment 8–17–62—H.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. MUNDT. Yes. But before sending amendment H to the desk, I call up my amendment 8–17–62—G.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 52, line 19, after the word "from" it is proposed to insert "erosion,".

On page 72, between lines 8 and 9, it is proposed to insert the following: "including provision for the control of erosion,".

Mr. MUNDT. Mr. President, the amendment I have called up is not the amendment on which there has been an agreement to limit the time for debate. The amendment before us now would provide that, with respect to the retired acres, among the other considerations which the owner or the operator of the land shall undertake to fulfill, along with insect control, weed control, and so forth, would be erosion control. The amendment would add the words "including provision for the control of erosion."

The Senate accepted that in the bill previously considered. I think the chairman of the committee is willing to accept it now. If so, we will not have need for further discussion.

Mr. ELLENDER. Mr. President, as I understand the amendment, it is the same one the Senate adopted when the Senate considered S. 3225.

Mr. MUNDT. Precisely.

Mr. ELLENDER. I have no objection, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from South Dakota [Mr. MUNDT].

The amendment to the committee amendment was agreed to.

Mr. MUNDT. Mr. President, I now call up my amendment 8–17–62—H. This is the amendment on which there is a limitation of debate.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 56, between lines 3 and 4, it is proposed to insert the first alternate program—sections 310 through 325.

On page 66, between lines 21 and 22, it is proposed to insert the following:

(b) In the referendum held pursuant to subsection (a) of this section on the national marketing quota proclaimed for the 1963 crop of wheat, the Secretary shall also submit the question whether farmers favor a two-year extension of the program in effect for the 1962 crop of wheat in lieu of the program for wheat provided by sections 310 through 325 of the Food and Agriculture Act of 1962. If a majority of the farmers voting on such question favor such two-year extension, (1) the provisions of sections 310 through 325 of the Food and Agriculture Act of 1962 shall thereupon become inoperative, (2) the provisions of sections 326 through 329 of such Act shall be in effect for the 1963 and 1964 crops, and (3) the provisions of law in effect without regard to the amendments contained in such Act shall be in effect for the 1965 and subsequent crops of wheat.

On page 91, between lines 7 and 8, it is proposed to insert the second alternate program—sections 326 through 329 as follows:

SEC. 326. (a) If a majority of the farmers voting on the question submitted pursuant to section 336(b) of the Agricultural Adjustment Act of 1938, as amended, added by section 316 of this Act, favor a two-year extension of the program in effect for the 1962 crop of wheat, the provisions of sections 326 through 329 of this Act shall be in effect in lieu of the provisions of sections 310 through 325.

(b) Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 and 1964 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum."

SEC. 327. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 and 1964 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 and 1964 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 and 1964 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States for friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962, 1963, and 1964 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, (1) if the Secretary determines that two-thirds or more of the farmers voting in the referendum on marketing quotas held pursuant to section 336 (a) of this Act, as amended by section 416 of the Food and Agriculture Act of 1962, approve marketing quotas for the 1963 crop of wheat, marketing quotas shall be in effect for the 1963 crop of wheat, and (2) farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1964."

SEC. 328. Price support for the 1963 and 1964 crops of wheat shall be made available as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 329. (a) If marketing quotas are in effect for the 1963 or 1964 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: *Provided,* That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect

to diverted acreage devoted to any such commodity.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1)(i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1)(ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c)(2) or (3)", and

(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".

(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

Mr. MUNDT. Mr. President, the amendment which I have offered deals exclusively with the wheat section of the bill. It is exactly the same as the amendment which I offered when the Senate had before it the farm bill several months ago, at which time the committee reported the proposed legislation to the Senate with my so-called free choice amendment included. However, on motion in the Senate by the chairman of the Committee on Agriculture and Forestry, the Senate subsequently knocked the amendment from the bill. I offer the amendment now because it seems to me that this is one of the crucial and key issues which confront us.

Mr. HUMPHREY. Mr. President, may we have order so that the Senator from South Dakota may proceed?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senate will be in order.

The Chair recognizes the Senator from South Dakota.

Mr. MUNDT. Mr. President, my so-called free choice amendment would give the wheat farmers of America a right in their referendum to determine which of two wheat programs they prefer. H.R. 12391, now before the Senate, contains an entirely new wheat program which has never been tried or tested by the farmers of America. It is a wheat program which has been discussed from time to time as far back as the early 1920's. It is a modification of what used to be called a two-price system. The proposal is actually a three- or four-price system. But it is based upon the fundamentals conceived at the time two-price legislation was discussed by Congress.

There has never been a wheat program as coercive in nature and as mandatory in purpose as the proposals contained in H.R. 12391. The proposal has considerable support in the Wheat Belt, and it has considerable opposition in the Wheat Belt. However, there is consider-

able confusion and misunderstanding on the part of both supporters and opponents of the proposal. There is considerable apprehension as to what will actually eventuate from the standpoint of price supports for wheat if we experiment with the proposed new concept.

My amendment proposes now, as it proposed earlier, and as it was approved by the Senate Committee on Agriculture and Forestry in January or February, when the bill was first brought out, to provide that in the referendum which the wheat farmers vote upon, they shall have an opportunity to elect as between the proposed new concept—a multiple price compulsory wheat program—and a continuation for 2 years of the program which is in operation today.

When a piece of proposed legislation vitally affects the income and perhaps the survival of the wheat farmers of America, it makes good sense to consult with the wheat farmers themselves to determine whether they wish to depart from the traditions of the past and experiment with something which is entirely unexplored, new and visionary so far as they are concerned.

This is the centennial year of agriculture. All of us are interested in making sure that we can develop as sound, sane, and enduring a farm program as possible. I think it is essential that those in the Wheat Belt understand what is placed before them, which they do not now understand. Whether my amendment is agreed to or not, ultimately the farmers of America will confront a referendum by which they will have to decide between the program of their choice and virtually no program and no price supports for wheat. So instead of confronting them with the proposed multiple-price system in a referendum, without having had it fully explained, without fully understanding the alternatives, my amendment proposes that in the initial referendum the wheat farmers themselves would decide which of the two farming proposals for wheat producers they wish to vote on in the final referendum. That would be decided by majority vote. The final referendum would then operate precisely as it does now: If two-thirds of the farmers voting approved the program, it would become compulsory and mandatory.

Mr. President, agriculture, as our largest industry, employs 12 times the number of people as in the steel industry—for example, 9 times the number in the automobile industry and twice the number in the transportation and public utilities industry. The farming industry supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is the principle source of all new wealth. Reliable estimates indicate that each dollar of wealth taken from the soil generates $7 of income throughout the rest of the economy.

Agriculture is a major market for the products of other industries. For example, it uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry. Agriculture, as an industry, is made up of many small business enterprises—namely, each individual farm. These small business enterprises and small entrepreneurs manage their own businesses, market their own products, plan their operations for the future with meticulous care and with one eye on the constant threat of a natural disaster which can wipe out a year's income overnight.

American agriculture is at the crossroads today, Mr. President. It faces another important development in the coming years in the growth of the Common Market in Europe. In 1960, the Common Market share of total U.S. farm exports amounted to 22 percent of our total exports. The Department of Agriculture estimates that one out of every six acres harvested goes into export trade. The possible exclusion of the U.S. from the European market for certain commodities or even a decrease in U.S. imports into this area could force a serious reduction in U.S. production for this country.

Just last Wednesday, August 15, Secretary of Agriculture Freeman, in testifying before the Senate Committee on Finance, admitted that the Common Market negotiations in the agriculture field confronted us with new problems. He testified that the administration is hopeful of finding new ways to gain access to the Common Market and other foreign outlets.

In view of the everchanging economy of agriculture and because of the diffuse thinking among the farmers of America on the type of program which they would like, I feel that this Congress can best serve the farmers of America by giving them an opportunity to make a choice as to whether or not they desire to continue the present wheat program for the years 1963 and 1964 or whether they desire to have the mandatory control program of the administration placed in effect. It appears to me that in view of the Secretary's glowing reports of the accomplishments of the present program and also his glowing espousal of the mandatory programs, he should be more than willing to permit the farmers to make a free choice in a democratic election between these two programs. I believed the Secretary when he wrote in a letter to the Senator from Wisconsin [Mr. PROXMIRE] earlier this year:

> I have great confidence in the judgment of the American farmers.

So does the Senator from South Dakota. I wish to give the farmers an opportunity to express their judgment in a free referendum. While Secretary Freeman was speaking of feed grains and feed-grain farmers, I hope he would have the same confidence in wheat farmers.

> We may disagree with their choice, but we should not deny them the right to make it.

I support that position of Secretary Freeman. If it is sound for feed grain farmers, it is sound for wheat farmers. We should not deny the wheat farmers of America the right to make the choice between two programs—on the one hand, the existing program, about which they know the full import and full impact, and on the other, a wheat certificate program which is attractive in many ways and which has strong opponents and strong proponents, but which is unnecessarily confusing and complicated.

Secondly, I raise the question, Why are we rushing pellmell and headlong through the legislative processes with a mandatory program, with no choice for the wheat farmer but a mandatory program or economic chaos, whereas we have an alternative available to let the farmers decide which of the two programs they prefer? It seems to me that this is another effort by the Secretary and the President to give lip service to the farmer for a free choice, while on the other hand recommending from the standpoint of the wheat farmer a mandatory program of rigid controls from which they cannot escape once two-thirds of the farmers have voted in the affirmative.

Mr. President, it is late in August. Already many wheat farmers are in the fields planting next year's crop, or are about to plant it.

Let us in fairness to the wheat farmer take him from the depths of confusion and give him a chance to vote on a program of his choice rather than using the late days of the congressional session to enact a farm bill which jams down his throat a program he does not understand or because of changing conditions he may not need or want, or which, if Common Market negotiations fail, will not meet his problem.

The committee in its wisdom did not see fit to impose a program of mandatory controls on the feed grain producers. I noted a press release last week announcing that the Senate leadership would not try to amend this section of the bill. Since the leadership believes that the feed grain section should not be made mandatory and compulsory, it seems to me that this is an additional reason why we should not select the wheat farmer for a special course of strong-arm treatment. I fully agree that we should give him the opportunity to vote on the proposals as they are outlined in H.R. 12391, as amended by the Senate committee.

I fully agree that we should also give him an opportunity to discuss and understand and express his preference with respect to the so-called multiple price system. I do not believe that we should limit his choice to that one program, or that we should try to predetermine his judgment by putting him at the end of a pistol and telling him, "Either you buy the multiple choice, wheat certificate compulsory program, with its multiple price system and its comprehensive and confusing proposals, or else you go without any wheat program at all."

In simple words, I want to give the farmer the right to say by referendum vote that he proposes to accept as his choice for a wheat program either the multiple choice program or a continuation for 2 more years of the program

which he now has and which he fully understands, and which slowly but surely is beginning to cut back the wheat surpluses of America.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Kansas.

Mr. CARLSON. Yesterday in colloquy with the distinguished chairman of the Committee on Agriculture and Forestry, the distinguished Senator from North Dakota [Mr. YOUNG], and I engaged in colloquy in which we discussed the offering of an amendment to the bill which would provide that the wheat farmer, for the 1963 crop, have the present program for another year. Do I understand from the statement of the Senator that the referendum to which he has made reference on the two programs will be for the 1964 crop, to be voted on in 1963?

Mr. MUNDT. For 1963 and 1964, both if time permits. It would extend the present program to 1963 and 1964.

Mr. CARLSON. That would be voted on at the end of the crop season?

Mr. MUNDT. Before he planted the 1963 crop if possible.

Mr. CARLSON. Before the planting of the 1963 crop. Normally I would not support the Senator on this amendment. I have for many years urged the adoption of what I called the domestic parity program for wheat. I believe that a permanent program is needed. That program had many advantages. The certificate plan in the pending bill was in the previous bill and was patterned after that measure, but it has many complicating features. It is a very complicated piece of legislation. I was hopeful that we would not act on it at this session, but that we would give Congress another year to look at it and try to iron out some of the problems.

When this question is presented to the wheatgrowers of the Nation, if there is not a very substantial educational program they will not understand it, because it is difficult to understand.

Mr. MUNDT. That is exactly the trouble. They are likely to vote against it out of fear of the unknown, leaving them with no wheat program at all unless my amendment is adopted.

Mr. CARLSON. I shall support the amendment on that ground. I am not happy about the certificate plan as it is presented. I have always sponsored that type of program, but not as complicated as the one in the bill. It is one which I believe the farmers may not understand. I am hopeful that if the pending legislation provides for the certificate plan for wheat, we shall have an opportunity to look at it next year and try to iron out some of the difficulties which I believe complicate this bill unnecessarily. I shall support the Senator's amendment for that reason.

Mr. MUNDT. I deeply appreciate the Senator's contribution. It is generally known that the Senator from Kansas is really the father of the wheat certificate plan or multiple price proposal. So far as agricultural legislation with respect to wheat is concerned. On various occasions in the Senate Committee on Agriculture and Forestry I have voted to support that program. I believe it has considerable merit. The Senator has put his finger on the problem which we now confront in legislating this late in the session on a bill that is as confusing as this one. I dare say that there are not three members of the Committee on Agriculture and Forestry who fully understand the impact and consequences of this proposal. It is complicated and confusing. I think it is unnecessarily complicated and confusing.

I believe that if we had some time for additional hearings on the wheat section of the bill alone we could devise a certificate plan much less confusing, much less complicated, much easier to understand, and much more acceptable and useful to the wheat farmers of America.

I share the fear of the Senator from Kansas that if we present the farmers with this alternative as it is now written, H.R. 12391, as amended, so that they do not understand it, so that we cannot give them firm answers to honest questions, in despair and out of an abundance of caution and through reluctance to step into the unknown, they are likely to vote "no," and find themselves with no wheat program at all. That would be disastrous to the wheat farmers and to the American farm economy.

What does my amendment propose? It leaves the program in the bill as it is, but instead of compelling the farmer now to make up his mind about something as complicated and as novel as this multiple price certificate plan, it gives him an opportunity to decide whether he wants that plan or a continuation of the present plan to be presented to him when he finally selects his own farm program by referendum.

If we give him an opportunity of getting the explanation, and if we can bring about an understanding, and create a meeting of minds, I am sure the result will be much better farm legislation than would result from having politicians on the Senate floor decide that they do not trust the farmers; that they know more than do the farmers, who may decide that the program is so unattractive that they may as well vote it down, and thereby decide to leave the bill as it is, presenting to the farmer, at the end of a shotgun or a pitchfork, the ugly alternative between buying a program he does not understand, a program about which there is confusion and conflicting testimony, a program representing a speculative step into the dark; or having no program at all.

My amendment gives the farmer the alternative of falling back upon a tested program, a program which has served him well in the past, although not adequately. It is not the final answer to the problem; it needs refinement. It is slowly but surely being refined. In the past year or two it has helped the farmer in the Wheat Belt, while at the same time reducing the surplus storage.

It seems to me that since the Secretary has stated that he has confidence in the small grain farmers and the feed grain farmers of America, the Senate might well state that it has confidence in all the farmers of America. We have confidence in the wheat farmers of America; and we want to submit to their judgment the decision as to which of the two farm programs they wish to have.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. HRUSKA. When it was suggested that the referendum would apply to the 1963 crop, the Senator from Nebraska wondered whether there would be time to hold a referendum which would apply to the 1963 crop, in view of the lateness of the season.

Mr. MUNDT. Some kind of referendum will have to be held in the very early future. It has already been delayed and pushed back, because the Senate was slow in acting on legislation, and the Department of Agriculture, rightly and understandably, hoped we would act in time to enable them to incorporate the legislation. At least, the question will be acted upon the first time a referendum can be presented to the wheat farmers of America.

Mr. HRUSKA. As I understand, a referendum is scheduled for August 30.

Mr. MUNDT. That is correct.

Mr. HRUSKA. Does the Senator from South Dakota think that that referendum may have to be postponed?

Mr. MUNDT. That will depend on the dispatch and expedition with which the legislation is passed, sent to conference, and reported to the House. It is entirely possible that the August 30 referendum will have to be postponed, assuming that new legislation will be passed. It might be that this particular referendum could be held separately and at a later date.

The Senate has written some astounding agricultural history today. We have approved programs and policies of price supports which the Democratic Party has consistently opposed when thy were recommended under Eisenhower and Benson. Members of the Democratic Party have today voted for this program by an almost unanimous vote. I think only two members of the Democratic Party voted against the concept of flexible price supports today. We have seen a switch from the position of the administration, which, upon seeking support from the voters, went so far as to say that the farmers are entitled to 100 percent price parity, 100 percent support, to a position of going downhill to zero. When they get the farmer there, they will present him with the alternative of a compulsory straitjacket program which would force the farmer to operate according to the dictates of the bureaucrats in Washington. That is a long retreat from parity prices. It is a complete reversal of their preelection position. That is a long retreat, even, from using net income as an adequate criterion for the farmer. It is pinning the farmers' hope to the number of bushels of corn, wheat, or other grain stored somewhere in Government warehouses. There is no rhyme or reason or economic concept to justify treating farmers with that kind of disregard.

Having done that for the corn farmers, I hope the Senate, on the same day, with the same type of partisan major-

ity, will not now try to trap the wheat farmer and deny him his freedom of choice. I hope the Senate, when it votes on my amendment, will vote to give the wheat farmers of America the same kind of franchise, the same kind of choice, that Members of the Senate insist on having for themselves as they made up their minds how to vote on the various issues.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 5 minutes remaining.

Mr. MUNDT. I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, I dislike having to oppose my genial friend from South Dakota, but the issues which are now before the Senate are the same as those which were before it in May, when S. 3225 was being considered. It will be recalled that the Committee on Agriculture and Forestry reported the wheat provision which contained the option which the Senator from South Dakota now seeks to incorporate in the bill reported from the committee.

As I have many times stated to the Senate, the wheat program has been a costly one. I have placed in the RECORD figures which indicate what the costs have been since the inception of the program. They amount to billions of dollars. Of course, that includes gifts which have been made abroad; it includes subsidies which were paid in the wheat agreement, and also the price support program. The cost of Public Law 480 was $3.8 billion.

It is true that from the sale of the wheat we received, in many instances, soft currencies. We may redeem some of them. But actual price support losses amount to almost $2 billion. The cost of the International Wheat Agreement aggregated about $1.3 billion. All that is water under the bridge. All this resulted from the present laws affecting wheat.

In 1938, a minimum acreage of 55 million was placed in the bill. At the time that minimum acreage was placed in the bill, production was about 13.2 bushels an acre. Today the production is almost double that amount; yet the minimum acreage still remains at 55 million.

The Senator from South Dakota seeks to provide the farmer an opportunity to vote for the two-price system, which would give the Secretary of Agriculture authority to fix the production of wheat somewhat in keeping with our requirements, which are approximately 1 billion bushels a year.

The option which my good friend would give to the farmer would permit him to have an emergency program for 2 years, but at the end of that emergency period we would revert to the same old law which has given us so much trouble, and that is the law which is now on the statute books. If that proposal were submitted to the farmers, in my opinion they would vote for the 2-year emergency program, which, by the way, is very expensive; and at the end of that time we would be confronted with the present law, which has in it a provision for a minimum of 55 million acres. As I have pointed out on many occasions, the Secretary of Agriculture is unable to reduce the acreage below 55 million, and he is compelled to support prices of wheat at the rate of 75 to 90 percent of parity.

For the past 5 or 6 years, a chairman of the Committee on Agriculture and Forestry, I have tried many times to submit proposed legislation which would reduce the minimum acreage, so that production could be in keeping with our requirements. The Senate passed two bills which would have had such an effect. One of those bills was vetoed by the President. The second bill was enacted by both Houses, and went to conference. The Senate adopted the conference report, but the House refused to do so. So we were put back to the old law—the 1938 act—which has caused so much expense, as I pointed out a moment ago.

The amendment proposed by my good friend, the Senator from South Dakota [Mr. MUNDT], would provide—as I stated a few minutes ago—an opportunity to vote in the referendum for either of the two options. In May of this year, the Senate voted to strike that provision from the bill. I am very hopeful that a similar vote will be cast at this time.

I could say much more on this subject; but I believe Senators are familiar with the proposal. It is very simple. However, if we were to adopt the amendment, I fear that within 2 years we would have expended in excess of $700 million, and then we would have to revert to the 1938 act—which, I repeat, has caused us great expense.

I fear that if existing programs were to be continued for wheat, milk, corn, and other feed grains, it would jeopardize the rest of the farm program; and I am sure no Senator would wish to see that occur.

I am willing at any time to yield time to any Senator who desires to speak on the amendment, or to yield back the remainder of the time under my control, if the Senator from South Dakota is willing to do likewise.

Mr. HUMPHREY. First, Mr. President, will the Senator from Louisiana yield briefly to me?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I assured the Senator from South Dakota [Mr. MUNDT] that I would do the best I could to have the yeas and nays ordered on the question of agreeing to his amendment to the committee amendment. So, Mr. President, in order to expedite the procedure, I ask that the yeas and nays be ordered on the question of agreeing to the Mundt amendment to the committee amendment.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I thank the Senator from Minnesota. If I may proceed for about 3 minutes, in order to conclude my remarks, I shall be ready for the vote.

Mr. ELLENDER. Very well.

Mr. MUNDT. Mr. President, I am sure that the previous yea-and-nay vote, by which the Senate voted to end price supports for the producers of corn, will be discussed for many years by agricultural experts and by writers on the farm economy. Inasmuch as that vote involves a change of position by many prominent Senators, all of whom are dear friends of mine, I shall not embarrass any of them by quoting statements which have been made in previous debates on these issues. However, for the aid of researchers, students, and editorial writers, I point out that if they will refer to volume 102 of the bound CONGRESSIONAL RECORD, part 3, 84th Congress, 2d session, including the debates from February 20, 1956, to March 7, 1956, and will read the debates which occurred at that time, and will study the rollcall votes which were taken, beginning on page 3128 and continuing to page 4150, they will conclude that the one who wrote the axiom "There is nothing new under the sun," was a second cousin of Ananias, because when we come to deal with agriculture, there are many new things under the sun. These include the way Senators vote—and their reasons for such votes.

Mr. President, I shall be brief. I merely wish to point out that I believe it exceedingly unfortunate that on the last yea-and-nay vote the Senate decided to deny the farmers of America a free choice between the two programs. I am glad, however, to hear statements in favor of economy by Senators on the other side of the aisle. However, economy should be an across-the-board performance; it should be a consistent operation. I dislike to think that the only place where this session of Congress will do any economizing will be on the scalp of the American farmer, by cutting his price supports for corn down to zero, and by putting him into a new wheat program which is so complicated that no one knows with certainty whether it will help or will hurt the farmer. But all of us know it will cut back wheat production sharply, will result in the retirement from production of additional acres of land, and will eliminate the 55-million-acre base which has been so important to the wheat farmers.

However, as I have said, some strange things are happening these days in agricultural legislation. It seems to me we get our economics and our politics badly confused.

I have made my case for this amendment. I believe in freedom of choice for the wheat farmers; and that is all my amendment proposes.

If the distinguished chairman of the committee decides that we have debated this issue long enough, inasmuch as the yeas and nays have already been ordered, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. The time available to the Senator from South Dakota has expired.

Mr. MUNDT. Then, Mr. President, obviously I have concluded.

Mr. HART. Mr. President, I would like to ask a question in regard to section

379(b)(i) which can be found on page 83 of the bill and reads, as follows:

All persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product.

Most wheat used in this country is processed into flour, but not all flour is used as human food in this country. A substantial portion of the flour is used in industrial processing. The end product of the industrial process may or may not consist of food products. In one particular process a portion of the resultant product is used for food purposes and the remainder is not. In addition, a certain amount of the flour is lost in processing.

I would like to know if marketing certificates will be required for all of the wheat milled into flour used in such industrial processes in spite of the fact that all or part of such wheat is finally used for nonfood purposes, or lost in processing.

Mr. ELLENDER. Mr. President, this particular question was brought to my attention by the distinguished Senator from Michigan [Mr. HART] some time ago, and I have requested a clarification from the Department of Agriculture. I have been assured by the Department that in such cases a price adjustment will be arranged either with the millers or the industrial processors of flour in recognition of the fact that not all of the end product is to be used for human food purposes.

Mr. HART. I thank the Senator.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control; and I am ready for the vote to be taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. MUNDT] to the committee amendment. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that the Senator from Missouri [Mr. SYMINGTON], the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], the Senator from Rhode Island [Mr. PASTORE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Idaho would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Missouri would vote "nay" and the Senator from Colorado would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Delaware [Mr. BOGGS and Mr. WILLIAMS], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Missouri [Mr. SYMINGTON.] If present and voting, the Senator from Colorado would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from California would vote "yea," and the Senator from Idaho would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Colorado would vote "nay."

On this vote the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 29, nays 50, as follows:

[No. 210 Leg.]

YEAS—29

Aiken	Eastland	Pearson
Beall	Fong	Prouty
Bennett	Goldwater	Russell
Bottum	Hickenlooper	Saltonstall
Bush	Hruska	Smith, Maine
Capehart	Javits	Thurmond
Carlson	Jordan, Idaho	Tower
Case	Keating	Wiley
Curtis	Miller	Young, N. Dak.
Dirksen	Mundt	

NAYS—50

Bartlett	Holland	Metcalf
Burdick	Humphrey	Monroney
Byrd, Va.	Jackson	Morse
Byrd, W. Va.	Johnston	Moss
Cannon	Jordan, N.C.	Muskie
Cooper	Kefauver	Neuberger
Dodd	Kerr	Pell
Douglas	Lausche	Proxmire
Ellender	Long, Mo.	Randolph
Engle	Long, Hawaii	Smith, Mass.
Ervin	Long, La.	Sparkman
Fulbright	Magnuson	Stennis
Gore	Mansfield	Talmadge
Hart	McCarthy	Williams, N.J.
Hartke	McClellan	Yarborough
Hayden	McGee	Young, Ohio
Hill	McNamara	

NOT VOTING—21

Allott	Church	Murphy
Anderson	Clark	Pastore
Bible	Cotton	Robertson
Boggs	Gruening	Scott
Butler	Hickey	Smathers
Carroll	Kuchel	Symington
Chavez	Morton	Williams, Del.

So Mr. MUNDT's amendment, to the committee amendment, was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment to the committee amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KEATING. Mr. President, I call up my amendment designated "8–20–62—G," on behalf of myself and Senators JAVITS, SCOTT, CASE, and SALTONSTALL.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 46, line 11, it is proposed to insert the following:

SEC. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana [Mr. MANSFIELD] is recognized.

Mr. MANSFIELD. I believe I should notify the Senator from New York that it is my intention to move to table his amendment. I wish to notify him ahead of time.

Mr. KEATING. Mr. President, if the Senator will yield, I appreciate his usual courtesy. I understand that will be his motion. It is my understanding that, following my presentation, some of the cosponsors of the amendment and other

Senators may wish to speak. I hope the Senator from Montana will withhold his motion.

Mr. President, I wish to make a parliamentary inquiry. Would it be proper and appropriate for me at this time to ask for the yeas and nays on the motion to table, or must I wait until the motion is made?

Mr. MANSFIELD. The Senator can ask unanimous consent.

Mr. KEATING. Mr. President, I ask unanimous consent that I may now make a request for the yeas and nays on the motion to table.

Mr. DIRKSEN. Mr. President, will the Senator withhold that request?

Mr. KEATING. I am happy to withhold it.

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, if the distinguished Senator will permit, I should like to query the distinguished majority leader concerning the program for the remainder of today and also for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, it was our hope that the Senate could remain in session long enough tonight to have the third reading of the bill. It is our understanding that it is desired to have the third reading of the bill tonight, which might require remaining in session a little longer. When the amendment offered by the Senator from New York is disposed of, one way or another, the Senator from Texas [Mr. TOWER] intends to offer an amendment, on which he would like to have the yeas and nays.

Because of the fact that certain Senators are absent from the Chamber due to unavoidable circumstances, it was hoped that we could obtain a unanimous-consent agreement to have a vote on the question of passage of the bill at the conclusion of morning business tomorrow.

It is anticipated that following consideration of this bill, the Senate will consider S. 1552, a bill to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes.

Following consideration of the drug bill, the Senate will consider H.R. 10743, a bill to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes.

Following consideration of that bill, the Senate will consider H.R. 11721, a bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission and to authorize the appropriation of $73 million for that purpose.

Following consideration of that bill, the Senate will consider H.R. 10650, a bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. KEATING obtained the floor.

Mr. MORSE. Mr. President, will the Senator from New York yield to me for a couple of minutes?

Mr. KEATING. I yield to the Senator from Oregon.

COCKTAIL LOUNGE IN THE CAPITOL?

Mr. MORSE. Mr. President, I just read an interesting note from the ticker, which says:

COCKTAIL LOUNGE?

WASHINGTON.—If there's a cocktail lounge in the Capitol, it's being hidden from J. George Stewart, the big building's architect and custodian.

Stewart has been deluged recently with inquiries about the existence of a formal drinking room in the Capitol, especially in the new multimillion-dollar east front extension.

Somehow or other, he told a reporter, a rumor got around that a fancy cocktail lounge was hidden away in the new front. Members of Congress have been relaying to Stewart the indignant letters from constituents asking for an explanation.

"You have my personal assurance," Stewart said, "that there is no cocktail lounge in the extended east front of the Capitol or in any other part of the building. No consideration was ever given to the installation of a cocktail lounge."

Of course, Mr. President, Mr. Stewart's omissions speak louder than his words. He owes to the people who write to him, or who write to Members of Congress and whose letters are relayed or "bucked over" to him for an answer to letters of indignation, an answer to the effect that in the conference room of the Senate from time to time cocktails are served, and they are served in connection with official Senate affairs.

The Senator from Oregon has made his position very clear in that regard. His resolution seeking to prevent the desecration of that room, and thereby the Capitol, because of the serving of cocktails at various affairs in that room, is still languishing in the Committee on Rules and Administration. The Senator wrote to members of the Committee on Rules and Administration about this resolution several weeks ago, but never received the courtesy of a reply from a single member of the committee.

I want Senators to bear in mind that Congress has not yet adjourned. That resolution will be used by the Senator from Oregon at an appropriate time as a rider on proposed legislation, before Congress adjourns. I will do my best to compel Senators to stand up and be counted on the resolution.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodies for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. KEATING. Mr. President, my amendment provides that no agreement or payment shall be made under the title I provisions of this bill unless the Secretary of Agriculture has determined that any public facilities which may be developed with Federal assistance or funds be open to all persons without discrimination on account of race.

There really should be no need for such an amendment. In my judgment, Federal funds cannot be lawfully appropriated for any programs which discriminate against Americans because of their race. A Federal subsidy for segregated facilities of any kind is not only unfair and unjust, but in my judgment, illegal.

The rather inconsistent and confused position of the Secretary of Agriculture on this important matter is very disappointing. Earlier in the session when the Senate first considered farm legislation, the Department assured me orally that no money would be allocated for projects which would not be open to citizens of all races.

This assurance was given to me by the General Counsel of the Department of Agriculture, who has been in the news of late. It was made to me in the midst of the debate on the farm bill in May when I first proposed this amendment. The General Counsel stated that no Federal funds would be allotted under title I for segregated recreation facilities. A letter confirming these assurances was promised.

Some of my colleagues may remember that after the defeat of the amendment by a narrow margin of three votes, in fairness to the Secretary of Agriculture, I announced on the floor of the Senate that I had received that assurance and that I would be getting a letter backing it up.

There were reports, thereafter, contradicting these assurances. I have attempted to contact both the General Counsel and the Secretary repeatedly with the hope of having their viewpoint clarified. I regret to announce that I have not yet received the promised written statement or any other confirmation of the Department's position. At the same time, there have been other reports that the Department now refuses to give any promise that funds will not be granted for segregated recreational fa-

cilities under this legislation. This vacillating attitude of the Department on such a vital issue is very disturbing. It is reminiscent of the difficulty we encountered in getting a clear statement on the Labor-HEW appropriation bill from the Department of Health, Education, and Welfare as to whether that Department's funds would be used to finance segregated hospitals and schools. A clear and unequivocal statement of the administration's position on these issues is long overdue. On the record to date we have no choice but to write into this bill an explicit provision requiring the Secretary of Agriculture to make certain that no Federal tax funds are going to be spent for racially segregated parks, picnic areas, and other recreational facilities—and I find the program under title I to be one of the better parts of the bill.

Adoption of this amendment will prevent an otherwise desirable program for converting marginal and unneeded farm lands into recreational areas from being tainted by racial prejudice. It is far better that we make our position crystal clear at the inception of the program instead of waiting until there are incidents, infringements of rights and prolonged litigation. If we allow recreation facilities to be set aside from surplus lands on a segregated basis, we may be certain that it will only be a matter of time before our courts are faced with dozens of cases demanding equal rights under the Constitution. It is much more constructive and desirable to take our stand now and to avoid later complications and embarrassments.

Very few Members of this body have objection to title I of this bill. The idea of converting surplus land and land that has proved to be uneconomic into rec-recreational areas is a good one. Not only will it in a small way help to curb excess agricultural production, but it will also provide areas for recreation for many persons who now have no such parks and water areas. Many of us strongly endorse any program that will work to alleviate farm surplus and any idea that will at the same time provide benefits to such a large portion of our population. My amendment is designed to invigorate title I by making certain that its benefits will flow to all our citizens. The tax money from which this appropriation comes was collected without any racial classifications, and it should be disbursed on the same basis.

It makes no difference if this Federal assistance is on the basis of loans or grants or whether the area is to be managed by Federal, State, or local authorities. If the Federal Government is to be a partner in these ventures, then the facilities should be open to all Americans without regard to race. We should guarantee that all new parks and recreation areas will be places that any American can go with his family without fear of being turned away. Far too many times of late the Congress has passed legislation which can aggravate our country's race problem. Here is a good chance to reverse the trend.

I wish to refer briefly to what took place last Thursday when an amendment was offered to the space communications bill that would prohibit discrimination in employment by any corporation participating in the program.

A strong appeal was made at that time by the proponents of that amendment, including the Senator from Pennsylvania [Mr. CLARK], the Senator from Oregon [Mr. MORSE], and the Senator from Illinois [Mr. DOUGLAS], who took a leading part in the debate.

A strong argument was made at that time by the proponents of the amendment to Senators on both sides of the aisle to live up to the platforms of both parties pledging action along those lines. We were forcefully reminded of the solemn promises that were made at the conventions and repeated throughout the campaign. The distinguished Senator from Pennsylvania [Mr. CLARK] urged the Senate "not to resort to parliamentary tactics in order to prevent the Senate, for the first time this session, to have a vote on the merits of a civil rights amendment."

I might say, parenthetically, that that was not the first time, but the second, because the first time was when this amendment was offered to the last farm bill which was before the Senate. It was the second time. Both the Senator from Pennsylvania [Mr. CLARK] and the Senator from Illinois [Mr. DOUGLAS] argued eloquently for the redemption of our clear, unequivocal, unqualified, unmistakable assurances to the American people that both our political parties would work for abolition of discrimination on the ground of race, creed, color, or national origin.

At that time, although I differed with Senators DOUGLAS, MORSE, and CLARK on the merits of the satellite communications bill, and strongly supported that bill on its merits, because of my deep conviction that the principle which the Senators from Pennsylvania and Illinois and others were espousing was right, I gave this nondiscrimination amendment to the space bill my wholehearted support.

I do not believe progress will ever be made in the field of civil rights by making tactical withdrawals and retreats. Whenver civil rights measures are offered in the Senate, tactical reasons are given for not pressing them. We are told to wait for another day, which somehow never arrives. We are always urged to postpone the question to a more convenient time, but that convenient time is never now.

We have retreated long enough. We have compromised long enough. We should have learned by now that the only way we can progress in this field is by pressing forward at every opportunity with the conviction and determination that a just cause should not be postponed to another day.

The American people will not be fooled by tactical explanations of votes against civil rights. They will not be misled by a pretext for saying no to principles which we should be warmly embracing and which both parties have promised to the American people.

If the day comes when any Negro father or mother has to tell a small child that a picnic in a Government-financed park area is off limits to Americans of their color, all these pretexts and excuses will quickly evaporate.

This is another challenge to our convictions. Let us not shun this test. It is time for those of us on both sides of the aisle who believe in civil rights to work as forcibly to achieve our objectives as those who oppose civil rights work to defeat them.

Today will be the payoff as to whether we believe in the platform and principles we have advocated before the country, or whether they are simply for campaign purposes.

Those are not my words; those are the words of the distinguished Senator from Illinois [Mr. DOUGLAS] last week. The distinguished Senator from Illinois has been a strong and persistent warrior for civil rights, and I have considered it a privilege to join with him and others in both parties for goals which we mutually sought.

Today I make the same plea. When this identical amendment was before the Senate in May, a motion to table carried by a margin of only three votes. A change in only two votes would have led to specific recognition in one of the laws of this Congress that the Federal Government has no right to use tax funds for racially segregated projects. I hope that today will be the occasion for declaring that simple but vital principle.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. SALTONSTALL. I join the Senator from New York in his amendment because, if we are to create areas for youths, I consider it a perfectly logical basis on which to act to make it clear that we intend that all people may enjoy them, no matter who they may be.

Mr. KEATING. I appreciate the Senator's statement. I appreciate his cosponsorship of the amendment. I know of his sincere and honest dedication to the cause of civil rights. It is an honor to be associated with him in this effort.

Mr. JAVITS. Mr. President, I rise in support of the amendment, of which I have the honor to be a cosponsor. I believe that the necessity for the amendment arises from what may properly be called de facto segregation. Perhaps the situation which we find in places like Albany, Ga., is the best example of that.

When we look into these situations and take the cover off them, we find that what is supposedly provided by our national statutes as representing lawful management does not necessarily obtain in practice.

Senators will recall that I have tried on previous occasions to reach the archaic rule in the Hill-Burton Act, under which Federal funds are granted to hospitals which are in essence segregated establishments because of the archaic definition in the law respecting separate but equal facilities, although the Federal Government and everyone else knows that that definition would not stand up for 5 minutes in a court of law,

that the Supreme Court has decided precisely to the contrary, and that the concept of separate but equal facilities is unconstitutional.

Nonetheless, the Government continues to issue regulations in hospital situations premised upon the separate but equal idea.

There is such a thing as local custom, which is pertinent to this amendment. The quality and nature of social organization, as one of our Members is wont to call it, is such that the community tolerates segregation, which is contrary to the Constitution, but is not expressly contrary to any law. A lawsuit may be started, which is a very expensive and tough undertaking.

Therefore, the amendment which the Senator from New York [Mr. KEATING] is sponsoring and in which many of us join, should be adopted. It will be remembered that I had a similar fight with respect to segregation at airport terminals, in which a couple of years were required before the practice caught up with the law, again, because the law did not specifically spell out in so many words what is sought to be spelled out here.

The new approach involves the idea of recreation areas which are developed from reserve lands, as conducive to the development of a more mature and more advisable farm program. In my view, it is important that when a new program is started, the de facto segregation and customs of local communities should be laid aside and we should return to the fundamental proposals involved.

In connection with the bill, about which there has been some discussion in the Government Operations Committee, of which I am a member, specific instances and examples have been cited in which for years, in national parks and national forests in Southern States segregation has been practiced de facto, indicating that unless there is a specific regulation on the subject we get into difficulties. Examples go back to 1959 and 1960. They are very specific with respect to what took place at places like Chattahoochee National Forest in Georgia, the De Soto National Park in Mississippi, and a naval housing reservation in Norfolk, Va. These are specific examples of de facto segregation being practiced.

It is clear to me that there is good reason for an amendment of this character, spelling out in precise terms what we have in mind in creating a national benefit through a new park. We should see to it that the situation of which we may later properly complain may be avoided, because we state what we mean, what we intend, and what we desire, without any nonsense or doubt about it, and without letting local customs prevail for years and years, and without the requirement that there be lawsuits or battles on the floor of the Senate to bring about our manifest intention in the law.

So anticipating the argument which is at the root of the motion to table—and I say this with all respect to the majority leader; I understand his problem—namely, that the Federal Government, through the Federal departments, will administer lands of this character in a nondiscriminatory way, it has been our experience that in every case, unless provision is made in unmistakable terms, and there is a law to tie to, there will be no compliance. We have sought to amend appropriation bills, but have been unable to do so because our proposals are considered to be substantive law. Now we have an opportunity to legislate in accordance with what I deem to be the views of the overwhelming majority of this body.

If the motion to table prevails, it will carry, in my view, not in accord with the best judgment on this issue, whatever may be the overriding considerations as to the farm bill. In my judgment, a motion to table, if carried, would not be in accordance with the views expressed time and time again by a majority of the Members of this body.

I hope we will be true to ourselves on this subject and take the opportunity offered to us by this amendment to vote to reject the motion to table, and support the amendment.

ANNOUNCEMENT OF HEARINGS ON ARTS BILLS

Mr. PELL. Mr. President, I wish to give notice to the Members of the Senate and other interested parties that the Special Subcommittee on the Arts of the Committee on Labor and Public Welfare, of which I have the honor to serve as chairman, will hold hearings on three pending bills affecting the arts, beginning August 29, 1962, and continuing on August 30 and, if needed, on September 7, 1962.

The three bills under consideration will be:

S. 741, introduced by Mr. HUMPHREY, for himself, Mr. CLARK, Mr. DOUGLAS, Mr. MORSE, Mr. WILLIAMS of New Jersey, Mr. COOPER, Mr. JAVITS, and Mr. LONG of Missouri, to provide for the establishment of a Federal Advisory Council on the Arts;

S. 785, introduced by Mr. CLARK, for himself, Mr. HUMPHREY, and Mr. PELL, to establish a program of grants to States for the development of programs and projects in the arts; and

S. 1250, introduced by Mr. JAVITS, to establish the U.S. Arts Foundation.

The hearings will be held in the committee's hearing room, 4232, New Senate Office Building, and will begin at 10 a.m. on each day.

Serving with me on the subcommittee are Senators YARBOROUGH, WILLIAMS of New Jersey, CLARK, JAVITS, and PROUTY.

A special effort will be made to obtain testimony on community cultural activities and needs in cities and States in various parts of the country.

Those who wish to appear before the subcommittee to present testimony on these bills, or to submit statements for the record, should make arrangements with Mr. Stewart E. McClure, chief clerk of the Committee on Labor and Public Welfare, extension 5375.

Mr. JAVITS. Mr. President, when I requested the appointment of a subcommittee and hearings in the Committee on Labor and Public Welfare on bills relating to a national cultural establishment for the Nation, I did so in full recognition of the fact that Federal participation in a program to help the development of our Nation's resources in the performing and visual arts is vital to our morale at home and to our leadership in the cold war struggle.

I express my appreciation to Senator LISTER HILL, my distinguished chairman, for granting this request, and congratulate Senator PELL on being named as chairman.

The image that we project abroad among the peoples of the developing nations becomes an important factor in helping them resist Communist infiltration and aggression; and our cultural posture makes up a very essential part of our total position and prestige in Western civilization. We can ignore only at our own peril the need for a cultural base in depth within our borders.

Some of the greatest long-range benefits to the United States abroad have come from our cultural exchange agreements in which American artists of note have rendered magnificent service as exponents of our country's culture and in promoting good relations with other nations.

In the forthcoming hearings which have just been announced we shall have an opportunity to get at all sides of this problem and also to make it clear that the principal source of assistance to the performing and visual arts will continue to be private and philanthropic sources as it has been always. It is important to emphasize that the Federal Government's position will not in any way endanger the traditional freedom of the artist and his form of expression and that the legislation before the Senate Labor and Public Welfare Subcommittee does not in any way infringe upon this time-honored prerogative of the artist.

Federal participation and encouragement of the arts is not a new thing, and has been expressed in many ways for over 100 years. My own activity in the Congress goes back to 1949 when as a Member of the House, I introduced a resolution calling for the establishment of an American National Theater establishment. The legislation which I have sponsored in this Congress calls for establishment of a U.S. Arts Foundation to help bring about wider dissemination of the arts and within the framework of free enterprise and voluntary association to help in the development of new talent and expose more people and more places to the best in American culture than any other proposal now before the Congress.

Federal assistance for expansion of the arts is an urgent necessity, and I am confident that the forthcoming hearings will result in a bill which the Senate can adopt.

Mr. MANSFIELD. Mr. President, I commend and congratulate the distinguished Senator from Rhode Island, who once again has shown the initiative which has made him so valued a Member of this body. I know that, as always, he will render outstanding service.

AUTHORIZATION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT FOLLOWING ADJOURNMENT OF SENATE TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be permitted to file, during the adjournment of the Senate following today's session a report and certain additional amendments to the bill, (S. 1552), to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MANSFIELD. Mr. President, I move that the amendment of the Senator from New York [Mr. KEATING] be laid on the table.

Mr. KEATING. Mr. President, on that motion, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the amendment of the Senator from New York [Mr. KEATING]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY (when his name was called). On this vote I have a pair with the junior Senator from Florida [Mr. SMATHERS]. If he were present and voting, he would vote "yea." Were I at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wyoming [Mr. MCGEE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Missouri [Mr. SYMINGTON], the Senator from Wyoming [Mr. HICKEY], the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. PASTORE], the Senator from Idaho [Mr. CHURCH], the Senator from Wyoming [Mr. HICKEY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. MCGEE] would each vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Florida would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Delaware [Mr. BOGGS and Mr. WILLIAMS], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

The result was announced—yeas 40, nays 37, as follows:

[No. 211 Leg.]

YEAS—40

Bartlett	Jackson	Moss
Burdick	Johnston	Muskie
Byrd, Va.	Jordan, N.C.	Neuberger
Byrd, W. Va.	Kerr	Robertson
Cannon	Long, Hawaii	Russell
Eastland	Long, La.	Sparkman
Ellender	Magnuson	Stennis
Engle	Mansfield	Talmadge
Ervin	McCarthy	Thurmond
Fulbright	McClellan	Tower
Gore	McNamara	Yarborough
Hayden	Metcalf	Young, N. Dak.
Hill	Monroney	
Holland	Morse	

NAYS—37

Aiken	Fong	Pearson
Beall	Goldwater	Pell
Bennett	Hart	Prouty
Bottum	Hartke	Proxmire
Bush	Hickenlooper	Randolph
Capehart	Hruska	Saltonstall
Carlson	Javits	Smith, Mass.
Case	Jordan, Idaho	Smith, Maine
Cooper	Keating	Wiley
Curtis	Lausche	Williams, N.J.
Dirksen	Long, Mo.	Young, Ohio
Dodd	Miller	
Douglas	Mundt	

NOT VOTING—23

Allott	Clark	Morton
Anderson	Cotton	Murphy
Bible	Gruening	Pastore
Boggs	Hickey	Scott
Butler	Humphrey	Smathers
Carroll	Kefauver	Symington
Chavez	Kuchel	Williams, Del.
Church	McGee	

So the motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which the motion to lay on the table was agreed to be reconsidered.

Mr. KERR. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. TOWER. Mr. President, I do not intend to call up the amendment in the nature of a substitute for the farm bill, which I have had printed and laid on the table; instead, I offer it as an amendment to the committee amendment. I send the amendment to the desk, and ask that it be stated. It is offered on behalf of myself and the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The amendment to the committee amendment, will be stated.

The CHIEF CLERK. In the committee amendment it is proposed to add a new title, as follows:

PLAN TO TERMINATE ALL ACREAGE ALLOTMENTS MARKETING QUOTAS, AND PRICE SUPPORTS

In order that the farmers of this country may carry on their farming operations in the tradition of the free enterprise system unhampered by needless Federal controls, the Secretary of Agriculture is hereby authorized and directed to formulate and submit to the Congress, within one hundred and twenty days after the date of enactment of this Act, proposals for legislation the aim and effect of which will be to (1) increase the acreage allotments and marketing quotas annually on all agricultural commodities subject to such controls until such controls have been removed entirely, and (2) reduce the levels of price support annually on all agricultural commodities for which such support is provided until such support has been removed entirely. The period of time within which all acreage allotments, marketing quotas, and price support shall be terminated under any proposals for legislation submitted by the Secretary to the Congress shall not be more than six years nor less than four years from the date of enactment of this Act.

Mr. TOWER. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. MANSFIELD. If I may have the attention of the Senate, I wish to say that I have discussed this matter with the Senator from Texas [Mr. TOWER], the minority leader, and other members of the Committee on Agriculture and Forestry on both sides, and I wish at this time to propound a unanimous-consent request; namely, that on the pending amendment 1½ hours be allowed, 45 minutes to a side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. HUMPHREY. I listened attentively to the reading of the amendment.

As the Senator knows, I asked for order so we might hear the amendment read. The amendment is different from the one now at the desk. Is that correct?

Mr. TOWER. It differs only in that it is an amendment to the committee amendment to the bill, and not a substitute.

Mr. HUMPHREY. Does the amendment include ultimate elimination of marketing orders on fruits and vegetables and milk, as well?

Mr. TOWER. It does, but it only directs the Secretary of Agriculture to propound a plan for the phasing out of agricultural controls, subsidies, and so forth. It is not in itself farm legislation; it is simply a directive to the Secretary of Agriculture to propose a plan, which, of course, would be submitted to the Congress.

Mr. HUMPHREY. But that plan would also include elimination of marketing orders, as I have mentioned, on fruits and vegetables and milk products?

Mr. TOWER. It would include those, yes.

Mr. DIRKSEN. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. DIRKSEN. Does the Senator from Texas plan to use all of his 45 minutes?

Mr. TOWER. I do not intend to use all of the 45 minutes myself. I will probably use 20 minutes for my own presentation. I do not know how many of my colleagues may desire to speak on the amendment.

Mr. DIRKSEN. I would like to ask the distinguished chairman of the Committee on Agriculture and Forestry how much time he expects to take.

Mr. ELLENDER. About 3 minutes.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SALTONSTALL. If the Senator from Massachusetts understood correctly what the Senator from Texas said to the Senator from Minnesota, this is merely a proposal to ask the Secretary of Agriculture to submit a plan to Congress for the future. It does not say he shall do certain things, but leaves it up to the Secretary of Agriculture.

Mr. TOWER. In response to the Senator from Massachusetts, the amendment simply directs the Secretary of Agriculture to propose a plan for phasing out all controls and subsidies. It would not narrowly proscribe him or limit him in any way. It would compel him to report within 120 days from the time of the enactment of the bill. It also provides that the plan shall prescribe phasing out in not less than 4 years or more than 6 years.

Mr. SALTONSTALL. The amendment is merely to have the Secretary submit a plan within 120 days?

Mr. TOWER. Yes, to submit a plan within 120 days to the Congress for its consideration.

The PRESIDING OFFICER. The Senator from Texas has now consumed three minutes. How much additional time does he yield himself?

Mr. TOWER. I yield myself 20 minutes.

Mr. President, the frustrating thing about the whole history of farm legislation is that the farm problem seems no nearer to solution today than 10 or 20 years ago.

At the risk of oversimplification, let me summarize my basic point of view as follows: There is not anything wrong with agriculture that a little less government would not cure. Too many times Government has done something to "help" farmers that created artificial incentives for farmers to increase production. Too many times Government has supported prices at levels that drastically limited the volume that could be marketed at the fixed price. Too frequently short run expedients have been adopted without adequate attention to the longrun consequences.

The greatest threat to freedom and opportunity in agriculture comes from those who assert that the way to help farmers is to fix prices at high levels and then institute strict production and marketing controls to prevent the creation of surpluses. It is my conviction that this is the wrong road for farmers. This is the road to controlled poverty in American agriculture—or nationalization of the production of food and fiber.

Price support programs are a trap for farmers. In the early years of a price support program, its effect on farmers appears to be wholly beneficiary. But the price support program has a cumulative impact on the marketing outlook. Production increases, consumption declines, surpluses accumulate.

When this point is reached, farmers are "hooked." If they do not accept controls, the existing surpluses and the artificially stimulated excessive production capacity will have drastic effect upon the price and market outlook for their products. If the farmer is reluctant to accept controls, they are likely to be forced upon him by one means or another to reduce Government costs.

The farm problem can be described as a vise, with declining farm prices constituting one jaw and rising production costs the other.

This comparison, however, fails to recognize all the elements involved. Net farm income may be defined as volume times price minus costs. All three elements are equally important. A high price that results in loss of export markets or a reduction in domestic markets may reduce net farm incomes just as effectively as a low price.

In recent years risings of costs has been a primary factor in reducing net farm incomes. The following table summarizes the drastic change which has occurred in the relationship of farm costs to income.

I ask unanimous consent to have the table printed in the RECORD at this point. It reveals that net farm income is down $3.1 billion.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Billions of dollars]

	Gross farm income	Production costs	Net farm income
1947–49 average	33.7	17.9	15.8
1961	39.6	26.9	12.7
Change (up (+), down (−))	+5.9	+9.0	−3.1

Mr. TOWER. Mr. President, part of the answer to the farm income problem is to avoid national policies that result in increased costs.

Costs do not just happen. Increased costs stem for a whole series of Government policies and actions which convert into prices and costs.

Inflation adds to costs. Government spending is converted into costs and prices. Taxes add to costs, not only directly, but, more important, in their effect on prices. For example, most corporation income taxes are not paid by corporations. They are paid by people who buy things sold by corporations. Most Government expenditures are, in the final analysis, paid by consumers of goods and services. This hits farmers doubly because not only do they buy the same consumer items as other people, but in addition, they buy goods and services for production.

The purpose and intent of the farm bills enacted over the years by the Congress was, of course, to raise farm incomes. Unfortunately, this effort too frequently overlooked basic economic factors. The farm problem has been compounded by efforts to solve an essentially economic problem by political panaceas. The farm problem has gotten involved in the political arena, has become a political issue. Votes are sought, political capital is all too frequently made, of the farm program. So immersed in politics and politicians is the farm problem—and vice versa—that rational solutions are too often virtually ignored.

We have created a patchwork of laws, often temporary expedients adopted to meet crises of varying degrees and kinds. Our farm laws, because they too frequently conflict with economic principles, have become the progenitors and perpetuators of our current farm problem. The farm programs have become a part of the problem.

American agriculture has passed and is passing through a period of vast and rapid change. No longer are our farms characterized by man-and-mule operation. As recently as 1940, 1 farmworker supplied 11 people with food and fiber. In 1961, 1 farmworker supplied the needs of 26 people. Productivity per man-hour in the past 10 years has increased 80 percent in agriculture, compared with 25 percent in industry. About twice as much capital is invested per worker in agriculture as in industry.

Technological change in agriculture has not reached any end point. There are some signs that the agricultural revolution is even accelerating. Techno-

logical change is remaking American agriculture at a pace unprecedented in human history.

Farm programs are necessarily based upon prices, practices, production, yields, and marketing of the past. But the past never fits the future. Farm programs try vainly to prevent change. To the extent they are able to delay change, they create new problems. Controls have bred many of the problems with which farmers are now confronted.

One of the inescapable results of the farm programs as they have operated is that they have held an umbrella over the world price, have encouraged expansion of competitive production in other countries. Actually, this problem would have been more crucial than it has been, except for the political turmoil and uneconomic practices of governments in other countries which has interfered with their normal growth and productive development.

A second inescapable result of price fixing is the development of substitutes. Ask any informed cotton man what price support programs for cotton at too high levels have done to substitute synthetics for cotton in Europe and in the United States. Markets once lost are hard, often impossible, to regain.

Controls cannot be imposed on one crop without affecting others. Land idled by a control program for one crop is likely to be used to produce other crops. Much of the land taken out of cotton and wheat production, for example, has been shifted to feed grains with the result that there is currently a surplus of feed grains.

The economist speaks of the inelasticity of demand for farm products. By this he means that consumption does not change very much when price is lowered. Therefore, a small excess of production results in a major change in price. This is most clearly illustrated by the case of tobacco. Consumption of tobacco appears to be virtually independent of change in price. Therefore, a small surplus of tobacco, in the absence of price supports, would result in a drastic reduction in the price of tobacco.

But the same is not true of many other products. Most of all, it is not true of that huge livestock-feed-forage complex that represents about 60 percent of U.S. agriculture. Demand for these products—which go to market as eggs, milk, and meat—is comparatively flexible. Another way to say this is that consumers will eat more meat at a low price than they will at a high price.

Without going into a lot of economics, this means simply that production controls in the tobacco industry may operate to increase farmers' incomes, but that production controls in the feed-livestock industry will not. I do not know of any definitive research on this point, but even assuming production controls on feed and livestock are feasible—and I do not assume this—I believe that farm incomes from the production of feed-livestock will be substantially reduced, not increased, by production controls.

It should also be noted in this connection that even where the size of domestic demand does not change much with a change in price, export demand for the same commodities is often extremely responsive to changes in price.

Acreage controls and price supports cannot provide an adequate income for a farm family with an acreage allotment too small for efficient and modern farming practices. A farm family with inadequate land resources cannot hope to increase its income from agriculture materially unless it is able to enlarge its operations so as to permit the adoption of modern technology. The rigidities of farm support and control programs are an obstacle to such progress.

The efficient farmer, small, or large, is penalized by controls. Costs for many farm operations are about the same, even if acreage is reduced. Controls therefore increase unit costs. Efficient farmers, who could profitably produce for export and domestic markets at a particular price, are foreclosed from producing for such markets if the price is raised to a level resulting in the loss or reduction of such markets.

During the emergency of the depression of the thirties, many measures were taken to alleviate desperately critical situations, including price support and production controls for a number of farm commodities. I am not inclined to be critical of everything that was done in New Deal days although I have criticized most things that were done in the New Deal days. Desperate situations sometimes warrant desperate remedies. But it does not follow that what may have been desirable or at least warranted during the dark days of the depression is necessarily the desirable approach to the problem under different circumstances. In fact, I am sure it is not. Amazing as it may appear, some of the congressional debate of the farm problem still harks back to the depression years. The argument is still made that if it was good then, it is good now. It is even suggested that all that keeps agriculture out of the conditions that existed in 1930–33 are the Government farm programs. This is ridiculous when it is recalled that only some 22 percent of U.S. farm production has been subject to production control programs. Actually, the most prosperous part of American agriculture has been that part not involved with controls and price supports.

Secretary of Agriculture Freeman has popularized the term "supply management." This is just a new term to describe an old objective. A synonym would be centralized control of agriculture, or political management of agriculture.

Under this supply management concept the Federal Government would, by controlling the production and marketing of all farm commodities, fix the amount of each product that each farmer could prodce and sell.

Under this proposal, the Secretary of Agriculture would replace the market as the primary guiding force in American agriculture.

To continue down the road of controls and high, artificial price supports is to court disaster. We now have over $7 billion invested by the Department of Agriculture Commodity Credit Corporation in price support loans and inventories. Each day about $1,400,000 of taxpayers money is paid out for storing the commodities held by the Government. And this is despite a massive Federal program to dispose of surplus commodities that cost billions more .

The choice confronting us is clear. One is based on Government intervention and control, the other on a farmer's freedom to farm; one on a Government market, the other on a free market; one on dependence on Federal appropriations for farm income, the other on consumer demand.

Perhaps the best expression of farmer sentiment on this question was indicated by a poll of its farmer readers by the Farm Journal. In the June 1962 issue was published a summary of replies to a questionnaire to their readers—64,560 farmers sent in their views. The questions and results follow:

First. Compulsory Government quotas—on what I could sell, or how much land I could farm; stiff penalties, support prices at, or above, present levels—only 4 percent for.

Second. Expanded voluntary land-retirement program to cut crop production; no compulsory quotas or allotments; with supports on crops at a level to stabilize markets but not add to surpluses—43 percent for.

Third. Get the Government clear out—no controls, no price supports—53 percent for.

Mr. Charles B. Shuman, president of the Nation's largest farm organization, the Farm Bureau Federation, said recently:

> I am convinced that Government intervention in the agricultural price and production decisions has materially reduced farm income. Government payments and subsidies have been only a partial offset to the tremendous losses in price and income suffered by the producers of wheat, feed grains, cotton and other crops as a result of the Government price depressing surplus disposal operations and the displacement of farm crops by substitute products * * * We would have been much wiser if we had devoted a small proportion of the manpower, time and money spent during the last 15 years on futile attempts to control production and rig markets, to a sustained effort to improve the operation of the competitive market.

The Farm Bureau Federation for many years has been the major opponent of centralized management of agriculture. That Farm Bureau's views represent the views of most farmers is evidenced by the fact that, although membership in Farm Bureau is entirely voluntary, each year for many years a larger percentage of the Nation's farmers are enrolled as Farm Bureau members.

Many of those who have been most prominent in promoting high levels of price support for farmers are now demanding that restrictive production controls be imposed.

Having gotten farmers in trouble by unwise price policies that have resulted

in surplus production and heavy costs, the high price support advocates refuse to admit that this is the cause of the trouble. They blame the farmer for his opposition to production controls. The 1962 farm program of the administration was a punitive measure to punish farmers for the surpluses created by mistakes in Government policies.

Very few would seriously propose that after decades of Government intervention in agriculture, we should suddenly withdraw all Government assistance to farmers. But I am convinced that the goal toward which we should strive should be to move as rapidly as feasible in the direction of reducing the scope of Government participation in the pricing, production and marketing of farm products.

Mr. President, my amendment would not of itself make alternations in the existing farm program. It would merely require the Secretary of Agriculture, who, with his vast Department and thousands of experts and technicians, should have on tap the best possible information regarding agriculture, to submit to the Congress a plan for ending Federal subsidies and controls. The Congress, acting upon the Secretary's proposed plan, would still be the implementing and final authority.

Committee meetings would be held, at which there would be manifestations of public reaction, and reactions from the farm community in particular.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SALTONSTALL. Would 4 to 6 years be a sufficient time to make the necessary adjustments that would finally bring agriculture into a completely free economy?

Mr. TOWER. The period of 4 to 6 years is perhaps an arbitrary time, but it is one that I have discussed with farmers and representatives of farm organizations. They feel that that period would probably be an appropriate period of time for phasing out the program.

I am convinced that the U.S. Government can and should do more to open doors to U.S. farm exports. Our State Department should stand up for American farmers and bargain more effectively for their interests than they have in the past. The potentials are tremendous. This is a proper and important role for Government.

The dynamic push of the free-enterprise way is stupendous. No other system can provide comparable progress, satisfaction, accomplishments.

It is my conviction that a free-enterprise farm economy will be more prosperous, will provide greater opportunities for indiivduals, and will result in a healthier and more satisfactory rural life than a farm economy that is managed by the Department of Agriculture.

Mr. President, the end that I see would not be accomplished merely by the adoption of the amendment. As I have said before, and feel I should emphasize again, the amendment would not change any existing farm program. It would merely direct the Secretary of Agriculture to propound a plan which he would submit to the Congress.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. Mr. President, I yield myself 3 additional minutes.

The Secretary of Agriculture would submit the plan to the Congress. The Congress could decide whether or not the plan was feasible. There would be ample time for committee hearings, for testimony, for measuring public reaction, and obtaining the sentiment of the farmers generally. So I urge the adoption of my amendment to the farm bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. SALTONSTALL. The amendment would not impose any time limit on the Secretary in submitting a plan. Congress could act or refrain from acting, and there would be no time limit on the Congress.

Mr. TOWER. There would be no time limit. The Secretary would be merely directed to propound a plan which would call for a phasing out in a period of not less than 4 years and not more than 6. Of course, Congress could, if it chose to follow the broad outline of such a plan, determine its own expedient times.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Did I corectly understand the Senator from Texas to indicate Farm Bureau Federation approval of the amendment, or did I misunderstand the Senator?

Mr. TOWER. Will the Senator restate his question?

Mr. PROXMIRE. Does the Farm Bureau Federation approve the amendment or disapprove it, or does it take no position on the amendment?

Mr. TOWER. I cannot say that the Farm Bureau has an official position on the amendment. But I believe that the proposal is consonant with Farm Bureau Federation policy, and in my discussions with the representatives of the Farm Bureau Federation—speaking, of course, informally—they assure me that it is consonant.

Mr. PROXMIRE. I asked that question of the Senator because, as a member of the Committee on Agriculture and Forestry I have heard representatives of the Farm Bureau Federation testify a number of times on a proposal, in which they are interested, which would take more land out of production and not put more in. As I understand, their solution calls for a substantial reduction of the amount of land now in production, which would seem to go exactly contrary to the proposal of the Senator from Texas.

Mr. TOWER. It is my impression that the amendment is generally accepted. All the amendment provides is a direction to the Secretary of Agriculture to propound a plan. We could take the plan, analyze it, examine it, and go over it. We would have adequate opportunity to obtain reaction from the various farm organizations and farmers. We would then know what the sentiment was. We would be able more adequately to gage it, because we would have something on which to hang our hats.

Mr. PROXMIRE. The difficultly is that virtually every other segment of our society, and every other economic group, has some kind of substantial rigidity or support. Organized labor has a minimum wage, which Congress has provided. There is almost no chance of that law being repealed. Businesses of various kinds are subsidized. I wish many of those laws could be repealed. There is no chance of repealing them. If we deprive the farmers of what little support they now receive, with their already low income, we may do great harm.

The Senator has called attention to the magnificent job which the farmers have done. The Senator from Texas has indicated that farmers have increased their efficiency three times as rapidly as have those off the farm. American farmers are the marvel of the world. Under those circumstances it seems to me that even to suggest a plan—and I recognize that the Senator's proposal is a moderate one; and he is not suggesting that we should take action now—along the lines proposed would be contrary to economic justice, because farm income is already so low. I cannot imagine the consequences of the Senator's proposal would be anything but to drive the income of farmers even lower than it is under present circumstances.

Mr. TOWER. There would be virtually no consequences of my proposal so far as present existing farm programs are concerned. All I am asking for is a program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. Has all of my time expired?

The PRESIDING OFFICER. Twenty-five minutes of the Senator's time has expired.

Mr. TOWER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Nineteen minutes.

Mr. TOWER. I should like to address myself to another point made by the distinguished Senator from Wisconsin. There are subsidies in other areas of the economy. That is true. It is my hope that we might apply the suggested approach to some of those areas one of these days. My proposal is merely a beginning. All I am asking for is a plan. Let us see if there is anything new under the sun. Let us not be afraid to try something bold and imaginative. I am not a New Frontiersman, but I believe that we conservatives can come up with something bold and imaginative from time to time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SALTONSTALL. I wish to support the Senator's proposal, but I should like to assure myself on certain points. To follow up what the Senator from Wisconsin has said, there is no reason for Congress to support in full any plan proposed by the Secretary. The plan could be modified so that some of the subsidies could be maintained in in-

stances in which they would be helpful to the farmer in the future. What the Senator is trying to do is to propose a comprehensive plan that would cover all farm problems.

Mr. TOWER. The Senator is correct. The distinguished Senator from Massachusetts is emphasizing that, after all, what we are asking for is a plan. I think everyone agrees that the farm economy is in a mess. Present programs are really not satisfactory. We wallow in our own frustration every year when we consider farm legislation. It must end at some time. Let us have a plan that would call for ending it. Let us then look at the plan. After we have studied the plan, if, in our estimation, it would result in complete economic ruin for the farmer, we could reject it. But let us have a plan. Let us have something to proceed from.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. BUSH. Apropos of what our friend from Wisconsin has said, there are subsidies in other phases of the economy. The network of subsidies is most impressive when we look at them. But the Senator from Texas is directing his thought toward a network of subsidies which has resulted in our acquiring approximately $9 billion worth of farm products through the Commodity Credit Corporation. In other words, we have become the owner of this enormous sum, and for that reason have undertaken an expense of $500 million or more to store and pay the interest on the money involved in this enormous concentration of farm products. Is that not so?

Mr. TOWER. That is correct.

Mr. BUSH. I point out that the subsidies involved in the farm program are different, because they have resulted in the Treasury being involved to the extent of more than $9 billion at the present time, I believe. The most recent figure I have seen was of that order. The other subsidies have not resulted in anything like the accumulation of assets of dubious value that the farm program has produced.

Mr. TOWER. That is correct. I thank the Senator from Connecticut for pointing that out. We might further note that very often a tax incentive is called a subsidy. That is a far more dynamic thing, which produces sources of wealth, whereas the farm subsidies take money out of the pocket of one person and put it in the pocket of another. That is not a dynamic force in the economy. It is a static force.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. LAUSCHE. Earlier I was impressed by the argument made by the Senator from Louisiana that something had to be done which would contribute to the adoption of a permanent plan to eliminate the extravagant costs to which we have been subjected through the years. He argued that the way to do it was to give the Secretary of Agriculture power to reduce subsidies and thus compel greater compliance. In my judgment a new approach is needed to solve this problem. When I say a new approach, I predicate it primarily on the basis that the Ohio farmer, at least, wants to be emancipated from Government controls. He wants to have restored to him the right to operate his own farm. I subscribe to that idea. That restoration cannot be made abruptly. There must be a normal transition. I am convinced that we cannot solve this problem by legislative fiat, regardless of the wisdom we exercise, unless our declarations are in some way in conformity with natural laws.

Through the years we have tried to control natural laws. They have repeatedly lifted their voices and said: "Regardless of the might of the U.S. Congress, these natural laws are supreme, and you are not going to be able to change them."

That is what we face. I stated earlier today that when a problem is pointed up, we hasten to solve it. We solve that particular problem, but in the solution of it we create additional new problems. I agree with the Senator from Louisiana in his view that something new must be done. I subscribe to the proposal of the Senator from Texas that a plan should be submitted, and that in the evolution of that plan the Farmers Union, the Farm Bureau Federation, the Grange, economists, and others should be consulted. A view can be taken of the disappointments which have occurred in the past 30 years, and an analysis can be made of the huge costs, and finally consideration should be given to the pronouncement that we have made each year that we have now found the solution, although the same story is told each year, and we have gotten nowhere, except to sink into more and more difficulty.

I will support the Senator from Texas. His proposal is in accord with what the Senator from Louisiana says needs to be done. There must be some new approach to the problem.

Mr. TOWER. I thank the distinguished Senator from Ohio for pointing out that we are tampering with natural laws when we invade the economy, and do things to try to create an artificial supply and an artificial demand. We must not tamper too much with the balance of nature. I remember that in my State at one time a bounty was put on hawks, because hawks occasionally would steal a chicken or two. Then the cotton rats became so numerous that it became necessary to take the bounty off hawks so that the hawks could kill the cotton rats. So I say we cannot tamper too much with the natural laws and expect to preserve a healthy economy.

Mr. LAUSCHE. I should like to point out how the effort to solve a problem in one place creates a new one. In Ohio, the wheat which we produce is not in excess. The fact is that there is a scarcity of it. Yet under the proposed law there would be the same application with regard to wheat which is scarce and wheat which is in surplus. Certificates would be issued. A subsidy will go to the growers of inferior wheat, on the same basis that a subsidy goes to the producers of superior wheat. The bill demonstrates what happens when we try by legislative declarations to deal with delicate situations.

Mr. TOWER. I thank the Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. CAPEHART. I was glad to join the able Senator from Texas as a coauthor of the amendment for the reason that I think it is common horsesense to request the Secretary of Agriculture to study the idea of phasing out the Government farm program over a period of 4 to 6 years. I do not believe that any Senator feels that farm programs over the past 30 years have been successful.

I do not believe any farmers feel that they have been successful. Our population is increasing, and the demand for foodstuffs is increasing. It is good, common, horsesense for Congress to ask the Secretary of Agriculture, who has all the facts concerning this subject, to come forth with a plan to phase out the Government's control of agriculture over a period of 4 to 6 years. I agree we cannot phase it out in 1 year or 2 years. It seems to me that both Congress and the administration, whether it be a Democratic or a Republican administration, should give a great deal of thought to this subject. I know the farmers are doing it. I call attention to the fact that farm products that are at the moment not under controls are doing well. One of the troubles at the moment is that we have thrown the whole farm economy completely out of gear. We have helped here and hurt there. For that reason I am happy to support the amendment, and I am happy to be a coauthor of it, because I think we ought to start giving some real attention to phasing the program out over a period of years in a way that will not hurt anyone. It is time that Congress asked the Secretary of Agriculture to give his best effort to this end.

Mr. TOWER. I thank the Senator. I yield 2 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, the Senator from Texas had a discussion with the Senator from Wisconsin about the position of the Farm Bureau Federation. I believe I know what the situation is. The Farm Bureau says that 28 million acres of land are in the conservation reserve. It suggests that the conservation reserve be brought up to 65 million acres.

It suggests that there be a period of phaseout of from 5 to 6 years, in which the farmer would gradually be liberated from the controls to which he is now subjected. But basically the Farm Bureau wants emancipation for the farmer. It wants a fair return to the farmer, and it believes it could be achieved by having the farmer voluntarily enter the conservation reserve, where the acreage would be brought up to 65 million or more, if need be.

Mr. JAVITS. Mr. President, will the Senator from Texas yield for a question?

Mr. TOWER. I yield to the Senator from New York.

Mr. JAVITS. I am curious as to why the Senator chooses the Secretary of Agriculture for this purpose. I should say that the present Secretary of Agriculture is unsympathetic to the kind of plan which the Senator from Texas has in mind, and probably would be unsympathetic to the kind of plan I would have in mind. Why would we not be better off, if this be a serious proposal, to designate a commission to devise a plan far more representative of the point of view of the author of the amendment and those who support him, rather than the Secretary of Agriculture, who would be completely hostile to it? That is what puzzles me about the amendment. Is it only a de marche to the Secretary of Agriculture, when we know he is completely hostile to such a plan and would be most unsympathetic to it?

I believe the Republican Party ought to propose a program of its own, and not merely ask the Secretary of Agriculture to draft one for us. For the Republican Party to submit its own plan would be fruitful and useful for the Nation. This is what concerns me about the Senator's amendment.

Mr. TOWER. I believe the Department of Agriculture is more competent by reason of experience, personnel, and resources, to undertake this work. I should like to think that even though the Secretary of Agriculture might not be sympathetic to my proposal—indeed, I doubt whether he would ever be sympathetic to anything I might propose—nonetheless, he would be sufficiently diligent and conscious of his responsibilities to pursue the study with vigor.

Mr. JAVITS. Even if this proposal should fail, the Senator has put his finger on one thing which troubles me. The Committee on Economic Development is studying the question now, with a view to developing a program. Such a program involves other considerations, including the mobility of labor, not merely land reserves; it involves the training of workers off the farm and their relocation. This is a really big project. I hope our party will address itself to it. I should like to work with the Senator from Texas, the Senator from Indiana [Mr. CAPEHART], and others, in drafting an alternate plan which would stand on its merits, and as to which, when we cast a vote, it would not be as if we were casting it in a vacuum.

Mr. ELLENDER. Mr. President, as I understand, the amendment would add a new title to provide for a direction to the Secretary of Agriculture to submit to Congress proposals for legislation, first, to increase acreage allotments and marketing quotas annually until they are removed entirely; and second, to reduce price supports annually until they are removed entirely.

The Secretary would be required to submit such a proposal within 120 days after the enactment of the bill; and controls and supports would have to be completely removed not more than 6 years, nor less than 4 years after the enactment of the bill.

I have been a member of the Committee on Agriculture and Forestry for 26 years. I find that the farmers of the Nation do not ask for quotas. They would not seek to have price supports, if only other segments of our economic society were similarly treated.

The distinguished Senator from Wisconsin made a significant point when he said that the costs of the farmers have been increased because of the minimum wage law. Then, too, there is the old Wagner Act, which is still on the statute books, but is now known as the Taft-Hartley Act. Around the bargaining table the workers and employers have agreed upon wages which have caused an increase in the prices of things which farmers need.

The proposal of the distinguished Senator from Texas would not only abolish some programs that may have cost much money and some programs that may have been bad, but would also eliminate all programs, even marketing agreements, such as those which affect Florida and California, and many of the provisions for the marketing of milk and other products.

We may criticize all these programs as much as we will; yet they have been instrumental in enabling the farmers to produce much more on fewer acres than was true in the past. When I first came to Congress, in 1937, 42 million acres of land were required to produce the amount of cotton which is now produced on about 16½ million acres. The same is true of many other commodities.

In the long run, although many programs have been costly to the Government, still they have been beneficial, in that many uneducated farmers, because of the incentive which was offered to them, have been able to produce much more on a given acreage.

In our own country, land resources are very limited. As I recall, there are about half a billion acres of land on which we can really depend. Our population is increasing at the rate of more than 3 million a year, and there is a loss of about 2 million acres of our best land each year. It does not require a smart person to calculate that with an increase in population and a decrease in land resources, the time will soon come when it will be necessary to increase production on the limited acres which will remain.

These programs have been instrumental in getting farmers—not only farmers who are college graduates, but many farmers who do not even know how to read or write—to produce more and more on their land. I think the programs, as a whole, have been good.

It is also my belief that if the programs had been managed from their inception in accordance with the will of Congress, the cost would not have been so great. When a good program is in the hands of farmers, it is difficult to wean them away from it. A classic example is one I have been discussing yesterday and today with respect to corn and other feed grains, as well as wheat. The program for milk and the products of milk is another classic program under which large amounts have been produced, much more than were needed.

It strikes me that it will cost quite a few dollars to make the study that is proposed by the Senator from Texas; and I doubt that it will be of benefit to Congress.

For that reason, Mr. President, I hope the Senate will reject this amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield very briefly to me

The PRESIDING OFFICER (Mr. LONG of Missouri in the chair.) Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Does the Senator from Louisiana recall that about 2 or 3 years ago the Senate Committee on Agriculture and Forestry had a study made by some of the land-grant colleges in regard to the economic impact of such an amendment?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. Such an amendment would be disastrous to the economy.

Mr. ELLENDER. Mr. President, I was about to ask unanimous consent to have printed at this point in the RECORD excerpts from that study, which the Committee on Agriculture and Forestry had made in 1959. I have a copy of it in my office. The study indicates the severe losses which would be suffered by the farmers of the country under such an amendment and the violence which the amendment would do to our economy.

I ask unanimous consent to have printed at this point in the RECORD excerpts from that report—which, as the Senator from Minnesota has said, was made by a committee of land-grant college economists, in conjunction with the Department of Agriculture, under Mr. Benson.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

REPORT FROM THE U.S. DEPARTMENT OF AGRICULTURE, AND A STATEMENT FROM THE LAND GRANT COLLEGES IRM–1 ADVISORY COMMITTEE ON FARM PRICE AND INCOME PROJECTIONS 1960–65, UNDER CONDITIONS APPROXIMATING FREE PRODUCTION AND MARKETING OF AGRICULTURAL COMMODITIES

(86th Cong., 2d sess., S. Doc. No. 77)

FOREWORD

This report shows that farm prices would fall substantially and production would continue to increase by about 2 percent per year if all acreage controls (except tobacco) were removed and price supports were at levels which would permit an orderly reduction of currently excessive stocks of storable agricultural commodities over a 7- to 10-year period.

Increased marketings would result in average farm prices of about 90 cents per bushel for wheat; 80 cents a bushel for corn, with other feed grain prices in proportion; $3 per hundredweight for rice; 25 cents a pound for cotton; $15 per 100 pounds for beef cattle; $11.20 per 100 pounds for hogs; $3.60 per 100 pounds for milk at wholesale; 29 cents a dozen for eggs; and 15 cents a pound for broilers. Production and prices are shown in tables 6 and 7 of the Department's report.

As estimated by the Advisory Committee realized net farm income would drop to $7 billion by 1965, about 46 percent below the 1958 level.

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U.S. DEPARTMENT OF AGRICULTURE—PROJECTIONS OF PRODUCTION AND PRICES OF FARM PRODUCTS FOR 1960-65 ACCORDING TO SPECIFIED ASSUMPTIONS

Summary

Projections of probable market supplies and prices for the major farm commodities for the period 1960–65 presented here have been prepared at the request of Senator ALLEN J. ELLENDER, chairman of the Senate Committee on Agriculture and Forestry. Senator ELLENDER's request specified that the projections should be made under assumptions that all production controls except those on tobacco were removed and price supports were maintained at levels which would permit an orderly reduction over a 7- to 10-year period in the currently excessive stocks of storable farm commodities.

Under these assumed conditions, total farm output would increase to 137 percent of the 1947–49 average by 1965. This would be 20 percent higher than the 1955–57 average of 114 percent. Compared to current indications for 1959, the projected increase would be around 10 percent. The increase above 1955–57 in output of livestock would be 25 percent and that for crops would be 16 percent. The greater increase in livestock output would result from favorable livestock-feed price ratios. Livestock output at the projected level would reduce feed grain stocks by 7 million tons per year and require the use of substantial quantities of wheat for feed.

The projected population figure for 1965 is 195.7 million, an increase of 16 percent from 1955–57. Per capita disposable income at $2,120 in 1965 is 22 percent above 1955–57.

Projected cash receipts from farm marketings at $30.6 billion would be 2 percent higher than the 1955–57 average. Cash receipts from livestock and products at $17.7 billion would be 7 percent higher, and those from crops at $12.9 billion would be 4 percent lower.

Although the projected cash receipts figure is a little higher than the 1955–57 figure, it is 9 percent lower than the $33.6 billion figure for 1958. In that year, a number of unusual factors contributed to an increase in cash receipts.

The projected index of prices received by farmers would be 193 for 1965, 17 percent below the 1955–57 average.

At 184, prices received for crops would be down a little more than the total index, and prices received for livestock and products at 200 would be down somewhat less than the total.

The projected increase in farm output would imply a per capita food consumption index of about 108 (1947–49=100) for 1965, about 5 percent higher than in 1955–57. Per capita consumption of food livestock products would be 8 percent higher with meat, including poultry meat, accounting for all of the increase. Per capita food use of crops would be practically the same as the 1955–57 average.

These projections are indications of the probable situation under the assumptions specified by Senator ELLENDER. Neither the analysis nor the leading assumptions should be regarded as forecasts or as an endorsement or an analysis of any proposed farm program.

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Agricultural assumptions and approaches

Acreages and Programs

As specified in the original request, the projections assume the elimination of acreage and production controls for all major commodities except tobacco. In general, price support is assumed at levels which would permit an orderly liquidation of current excessive stocks over a 7- to 10-year period. The assumptions for wheat and cotton were modified by an additional assumption that the orderly liquidation of stocks could be handled through special programs, such as Public Law 480. However, Public Law 480 would by no means be limited to stock liquidation. Thus, the price support level assumed is one that would avoid further accumulation of stocks. In addition, programs such as section 32, special milk, school lunch, Sugar Act, Wool Act, marketing agreements and orders are assumed to continue in effect without significant change.

Certain actions with respect to price supports and/or acreage allotments in 1960, which conflict with the assumptions for these projections, are disregarded. This includes the marketing quotas for wheat, cotton, rice, peanuts, and tobacco which have already been approved by growers and the minimum price support already announced for wheat.

A conservation reserve program of 30 million acres is assumed, an increase of 8 million acres over 1959. This assumption implies appropriations and authorizations at about current levels and some reduction in payment per acre associated with the lower prices of farm products. Estimates of normal use of the land in conservation reserve in 1959 were used in projection of the effects of the expansion in the program during the 1960–65 period. Feed grains, wheat, hay, cropland pasture, crop failure, and fallow represented the major normal use of cropland reserve acreages in 1959.

The total acreage of cropland and pasture was assumed to remain at the 1959 level during the 1960–65 period. It was assumed that in the first year the elimination of allotments on wheat and cotton, together with the increased soil bank, would result in reduced fallow and idle acreages. Consequently, the total land used for crops and the soil bank would increase.

After the first year, however, the lower price level would encourage reductions in harvested cropland. While the acreage adjustments to the lower price levels would not be completed by 1965, some increase in idle and fallow would be expected. Because of the problems inherent in resource adjustment and the difficulties of shifting land use in a relatively short period, the decrease in harvested cropland was projected at about 1 million acres per year. This general acreage framework is indicated in table 2.

Projection of individual crop acreages were made by means of a series of approximations. Factors considered included suspension of allotments on wheat and cotton and conservation reserve expansion, prospective price-cost relations, the livestock-feed balance, and recent trends. The evaluation of these factors necessarily involved large elements of judgment.

Yields

Yield projections for the period 1960–65, developed in cooperation with ARS natural scientists, were used as a general framework for the yield estimates of major crops. The yield projections include the increases that agricultural research scientists expect to result from further application of known improvements. The original yield projections were made in the general context of current acreages and price-cost relations.[1] It was felt, however, that in a period of only 5 years, effects of lower price-cost relationships on yields would be minor because of the continued profitability from the standpoint of the individual farmer of marginal increases in the use of fertilizer, improved varieties, and other yield-increasing techniques that are presently available. Acreage shifts are likely to be of particular significance to yields of cotton and grain sorghums.

Trends in yield per acre of feed grains, as indicated by the projections, were expected to continue to increase in the years 1960–65. But the annual rates of increase in the next 5 years would be less than in the years since 1940. Further, the yields of corn and grain sorghum in 1958 and 1959 were apparently significantly above the indicated trends because of favorable weather.

Yield increases in corn will reflect to a large extent the increases in fertilizer and associated practices. Corn yields in 1965 would be slightly below the record yields indicated for 1958 and 1959. Yields of sorghum grain are expected to increase chiefly as the result of additional plantings of improved hybrid varieties. However, the projected rate of increase in grain sorghums is considerably less than in recent years.

Trends in hay yields are expected to increase gradually during the 1960–65 period with improvements in production practices and types of hay. Hay production by 1965 might be at approximately the record level achieved in 1958. Despite wide fluctuations, the long-term trend in the total feed consumed from pasture has been upward as pastures have been improved. This trend is expected to continue. Total feed units available from pasture by 1965 may be about 5 percent above the 1957–58 feeding year.

Wheat and cotton yields were projected to increase gradually during the period at about the same rate as the long-term upward trend in yields for these crops.

Average or normal weather must be assumed in projections of this nature, since there is no prior basis for any other assumption. In effect, weather is held constant throughout the projection period, with any above average years approximately balanced by below average years. A run of several years, either above or below average, during the projection period could result in substantially different results.

Similarly, the projections for hogs are primarily in terms of trend values, rather than projections of a cyclical pattern. For given years in the period, cyclical influences might well result in hog production either higher or lower than the trend value for that year. Attempting to project cyclical as well as trend values for specific years would imply a much higher degree of precision in the available methods than actually exists. Furthermore, the emphasis here is on the relative situation during the projection period, rather than on either the situation in a given year or the change from one year to the next.

* * * * *

General results

Under the assumed conditions total farm output would increase to 137 percent of the 1947–49 average by 1965. This would be 20 percent higher than the 1955–57 average of 114 percent. Compared to current indications for 1959, the projected increase would be around 10 percent. The increase above 1955–57 in output of livestock would be 25 percent, and that for crops would be 16 percent. The greater increase in livestock output would result from favorable livestock-feed price ratios. Livestock output at the projected level would reduce feed grain stocks by 7 million tons per year and require the use of substantial quantities of wheat for feed.

As indicated earlier, the projected population figure for 1965 is 195.7 million, an increase of 16 percent from 1955–57. Per capita disposable income at $2,120 in 1965 is 22 percent above 1955–57.

[1] A detailed discussion of these projections is contained in a report, "Wheat, Feed, and Livestock Production Projections" by R. P. Christensen, S. E. Johnson, and R. V. Bowman, FERD, ARS which is in process of publication.

Projected cash receipts from farm marketings at $30.6 billion would be 2 percent higher than the 1955–57 average. Cash receipts from livestock and products at $17.7 billion would be 7 percent higher and those from crops at $12.9 billion would be 4 percent lower.

Although the projected cash receipts figure is a little higher than the 1955–57 figure, it is 9 percent lower than the $33.6 billion figure for 1958. In that year, a number of unusual factors contributed to an increase in cash recepits.

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STATEMENT BY THE ADVISORY COMMITTEE [2]

The report prepared by the staff of the U.S. Department of Agriculture is a thorough and comprehensive analysis of the important question raised by Senator ELLENDER. In view of the uncertainty of the future it is not possible to make projections of the requested kind with a high degree of precision. Further, the projected price and income levels are so far outside the range of recent experience that it is difficult to predict how farmers might react to these difficult conditions. In spite of these difficulties it is evident that care has been exercised in bringing together all available information in working out the numerous details.

Members of the committee, however, have certain reservations about the estimates and implied relationships projected through 1965. The generally high level of exports, especially of wheat and cotton, will be difficult to achieve, even with considerable use of Public Law 480 funds. The expected domestic consumption of cotton appears high and production somewhat low at the 1965 farm price. The projected volume of hogs might well depress farm prices by more than the indicated amount. For these reasons, among others, the committee believes that the average level of farm prices in the Department report is somewhat higher than is consistent with the projected volume of total farm marketings in 1965.

But if the prices and quantities estimated by the Department technicians should obtain under the conditions specified, cash income from farm marketings in the period 1960–65 would be expected to total about the same as in 1955–57 or $30.6 billion a year. This level of cash receipts from farm marketings would be maintained in spite of a sharp drop in market prices because of continued annual increases in farm production of about 2 percent a year.

Farms in 1965 would be producing about 20 percent more products than in 1955–57. The effect of lower farm prices on output is expected to be minor because of the continued profitability for the individual farmer of marginal increases in presently available output increasing techniques.

[2] Professors Halvorson, Wisconsin, chairman; George Brandow, Pennsylvania; Willard Cochrane, Minnesota; Maurice Kelso, Arizona; James Plaxico, Oklahoma; and John Schnittker, Kansas.

Under these conditions the larger marketings would result in U.S. average farm prices of about 80 cents a bushel for corn with other feed grain prices in proportion, 90 cents a bushel for wheat, $3 per 100 pounds for rice, 25 cents a pound for cotton, $15 per 100 pounds for beef cattle ($22 per hundred for choice, grain-fattened steers in Chicago), $11.20 per 100 pounds for hogs, $3.60 per 100 pounds for milk at wholesale, 29 cents a dozen for eggs and 15 cents a pound for broilers.

Under the Department of Agriculture's projections carryover stocks would be reduced as follows: Feed grains, from 80 million tons in 1959 to 38 million in 1965; wheat, from 1.4 billion bushels to 0.4 billion; and cotton from 8.9 million to 7.2 million bales.

The bulk of these carryover stocks would continue to be in Government ownership and storage.

Net income

Since the Department of Agriculture was not asked to estimate effects on net farm income, the Committee undertook this analysis. Production expenses would be expected to be higher in 1965 than in 1955–57 because (a) the report assumes further increases in fertilization and other means of increasing output, and (b) the parity index in 1955–57, at 280, was lower than the level assumed for the report, 300. Production expenses in 1959 already were $3.4 billion higher than in 1955–57, and are expected to continue to increase about 1 percent a year even though nonfarm prices stabilize at present levels. Although the larger volume of marketings would maintain cash receipts at the 1955–57 level in spite of lower prices, realized net farm income would drop from $11.5 billion in the earlier period to about $7 billion in 1965 because of higher production expenses. This is a reduction of almost 40 percent.

The reduction in realized net income would be borne largely by the 2.1 million farms which market 90 percent of all farm products. The number of these farms held constant at 2.1 million between 1944 and 1954; hence, only a small reduction in numbers is expected in the 1960–65 period. Also, the off-farm income of families on these farms increased at a rate of only $60 per family per year in 1952–56. Therefore, little hope can be held out that increases in off-farm income would be an important offset to declining farm income for these families in the 1960–65 period.

The expected net farm income of $7 billion in the 1960–65 period is based on a continuation of the sugar and wool programs making direct payments to farmers of $120 to $130 million a year, agricultural conservation program payments of $225 million a year, and conservation reserve program payments of $300 to $325 million.

In addition, in these projections, cash receipts from farm marketings are supported by surplus removal purchases under section 32, marketing agreement programs, and a continuation of Public Law 480 exports at about present dollar levels.

Mr. TOWER. Mr. President, let me ask the Senator from Louisiana when the study was made.

Mr. ELLENDER. In 1959.

Mr. TOWER. In other words, it was made 3 years ago.

Mr. ELLENDER. Yes.

Mr. TOWER. Mr. President, the Senator from Minnesota stated that the effect of the amendment would be disastrous. In response let me again emphasize that the amendment would not change any existing farm program. We would merely call on the Department of Agriculture to present us with a plan. Then, at our option, we could either accept it or reject it.

Mr. HUMPHREY. Mr. President, if the Senator will yield, I should like to say that the Secretary of Agriculture already is working on, and has presented, programs which he believes, according to his best judgment and according to the best judgment of those in his Department, would be best for the country.

The Senator from Texas votes against such programs, and wants the Secretary of Agriculture to present another program, one which has as its objective freeing the farmers from controls and raising the farmers' income. I cannot imagine that the Secretary of Agriculture, whose program has already been rejected by the author of this amendment, would be able to present a program which would be much more acceptable to the author of the amendment.

Mr. ELLENDER. Mr. President, I am willing to yield back the remainder of the time under my control, if the Senator from Texas will do likewise.

Mr. TOWER. I am prepared to do the same, except that I wish to say, first, that it occurs to me that the Secretary of Agriculture might become more enlightened after making such a study, and might be able to come forward with a beneficial program.

Mr. HUMPHREY. The Secretary of Agriculture is already a very enlightened man, indeed.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control.

Mr. TOWER. I am ready to do the same, Mr. President.

Mr. DIRKSEN. Mr. President——

Mr. TOWER. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I say to the Senator from Minnesota that when we oppose the Department of Agriculture on a program, I believe we do so as a result of a composite of the knowledge which has been gained by various Members of the Senate on our side, living in all sections of the country; and I do not believe that can be easily fended off.

I often think of the story about a man who went to the Corcoran Art Gallery, in the city of Washington, and, while looking at a painting there, began to make a great many adverse comments.

A man came up to him, and asked, "Are you an artist?"

The man who had been making the adverse comments replied, "No."

The other man asked, "Then why do you make all these criticisms and captious remarks about that painting, if you aren't an artist?"

The man who had been making the comments looked at the other man and said, "Well, I don't know who you are."

The reply was, "I am the artist who painted that picture."

The other man said, "Then let me tell you, in justification, that I ain't no chicken, but I know when an egg is rotten."

So, Mr. President, we do not have to be Secretaries of Agriculture in order to know when a program is bad. On the basis of that logic and discernment, of course we deliver our judgments accordingly.

Mr. HUMPHREY. Mr. President, the Senator's story is a better art story than an agricultural story.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control.

Mr. TOWER. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Texas to the committee amendment. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Florida [Mr. SMATHERS], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Arizona [Mr. HAYDEN], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Delaware [Mr. BOGGS and Mr. WILLIAMS], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent. If present and voting, the Senator from California [Mr. KUCHEL] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

On this vote the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Delaware [Mr. BOGGS] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Delaware [Mr. WILLIAMS] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 17, nays 55, as follows:

[No. 212 Leg.]

YEAS—17

Beall	Fong	Saltonstall
Bennett	Goldwater	Smith, Maine
Bush	Hruska	Thurmond
Capehart	Jordan, Idaho	Tower
Dirksen	Lausche	Wiley
Dodd	Pearson	

NAYS—55

Aiken	Holland	Monroney
Bartlett	Humphrey	Morse
Bottum	Jackson	Moss
Burdick	Javits	Mundt
Byrd, W. Va.	Johnston	Muskie
Cannon	Jordan, N.C.	Pell
Carlson	Keating	Prouty
Case	Kefauver	Proxmire
Cooper	Kerr	Randolph
Curtis	Long, Mo.	Smith, Mass.
Douglas	Long, Hawaii	Sparkman
Ellender	Long, La.	Stennis
Ervin	Magnuson	Talmadge
Fulbright	Mansfield	Williams, N.J.
Gore	McClellan	Yarborough
Hart	McGee	Young, N. Dak.
Hartke	McNamara	Young, Ohio
Hickenlooper	Metcalf	
Hill	Miller	

NOT VOTING—28

Allott	Cotton	Neuberger
Anderson	Eastland	Pastore
Bible	Engle	Robertson
Boggs	Gruening	Russell
Butler	Hayden	Scott
Byrd, Va.	Hickey	Smathers
Carroll	Kuchel	Symington
Chavez	McCarthy	Williams, Del.
Church	Morton	
Clark	Murphy	

So Mr. TOWER's amendment to the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. HUMPHREY. Mr. President, since a number of our colleagues are still with us this evening, I want to ask, first, unanimous consent that, at the conclusion of the morning hour tomorrow, the Senate vote on final passage of the farm bill; and if that request is granted, I will ask for the yeas and nays on passage.

Mr. YOUNG of North Dakota. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The question would be first, on the third reading.

Mr. HUMPHREY. I merely wanted to make the unanimous-consent request that, after the third reading, which we hope to arrive at tonight, after the morning hour tomorrow there be a vote on passage of the farm bill.

Mr. YOUNG of North Dakota. Mr. President, reserving the right to object, how much time will there be after the morning hour for any statement a Senator may wish to make?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that there would have to be a quorum call if an hour were fixed for voting on passage.

Are there further amendments to be offered?

Mr. COOPER. Mr. President, I send an amendment ot the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Kentucky to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment it is proposed:

On page 89, line 16, after "area" insert "and".

On page 89, beginning with line 17, strike out all down through line 22.

On page 89, line 23, strike out "(5)" and insert in lieu thereof "(4)".

On page 89, line 25, immediately after the word "claimed" insert "or for which marketing quotas have been disapproved by producers".

Page 90, line 1, strike out "(6)" and insert in lieu thereof "(5)".

Mr. COOPER. Mr. President, the amendment I offer is quite simple. The effect of the amendments would be to maintain in the 1958 act the support price, at 50 percent of parity for wheat the event that, upon a referendum, the wheat growers should reject marketing quotas.

My purpose in offering the amendments is substantially that which was described when earlier today the change in the support price for corn was adopted.

Under the 1958 act, if growers of wheat reject quotas, a 50 percent support price is still afforded growers. The purpose of providing 50 percent support, in such a case is I am sure to assure an orderly marketing of wheat, and prevent extremely low prices and chaotic economic conditions, until some other program devised or adjustments occur.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. COOPER. May I complete my explanation, and then I will be glad to yield to my good friend.

Under the bill before the Senate, if growers should reject compulsory marketing quotas, the Secretary of Agriculture could fix support prices from 0 to 50 percent. This raises substantially the same question as I raised regarding the change in support prices for corn.

In the event the compulsory wheat program offered by the administration should be rejected, farmers would get only 0 to 50 percent support price for their wheat. I contend that that would

create a very disorderly marketing situation and be very bad for the farmers in a period of adjustment.

I make the point that that provision would give the farmers no real choice or alternative except to accept compulsory controls for wheat.

I do not want to appear to be inconsistent. I have voted for compulsory controls, in the sense that the farmers have approved them by referendum, for tobacco, cotton, rice, peanuts, and wheat. I have not voted for compulsory controls on feed grains because feed grains and the above crops differ. The crops I have named go on the market; feed grains are inherent to the use of his farm by the farmer.

I voted for the administration's proposal on wheat in the committee and in the Senate. But, the wheat farmer should have free opportunity to decide whether he wishes to have controls or not. Under the proposal which the administration sent to Congress, which is before us, the farmer would not have a fair choice. For he has no choice except a program supported by 0 to 50 percent supports. If he does not take the administration program he will have no program.

When we voted today to give to the Secretary of Agriculture the power to fix support prices at from 0 to 90 percent of parity for corn, and then denied him the power to add to the Commodity Credit Corporation stocks, we voted out a corn program. I am more certain than when I spoke earlier.

I say we ought to give the farmer a fair deal and a choice with respect to wheat.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. COOPER. I yield.

Mr. YOUNG of North Dakota. Under the amendment, if the farmers voted "no" in a referendum would they get 50 percent of parity price supports?

Mr. COOPER. The law today provides 50 percent for wheat, nothing for tobacco, 50 percent for peanuts, 50 percent for rice, and 50 percent for cotton.

Mr. YOUNG of North Dakota. For the RECORD, What would the amendment the Senator has offered provide?

Mr. COOPER. It would maintain 50 percent of parity price supports for wheat, as is provided today, if farmers reject compulsory controls.

Mr. YOUNG of North Dakota. Under the present law the farmer would have to abide by acreage allotments to get 50-percent supports. Does the Senator's amendment so provide?

Mr. COOPER. Yes; it would retain the present law.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. COOPER. I yield.

Mr. ELLENDER. As I understand the amendment, 50 percent of parity would be paid to those who would comply with their allotments?

Mr. COOPER. Yes.

Mr. ELLENDER. Mr. President, I shall be glad to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendments to the committee amendment offered by the Senator from Kentucky.

The amendments to the committee amendment were agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendment identified as "8–17–62—J."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 94, between lines 17 and 18, it is proposed to insert the following new section:

SEC. 405. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest."

Mr. PROXMIRE. Mr. President, I wish to add the name of the Senator from Minnesota [Mr. HUMPHREY] as a cosponsor of the amendment.

GOVERNMENT SHOULD PAY COST OF USING STORED FEED TO PROTECT AGAINST FALLOUT

Mr. President, I have offered an amendment which would authorize the Secretary of Agriculture to absorb at least part of the extra cost of protecting milk against contamination by radioactive fallout, where this is a problem. I strongly hope that my amendment, which would extend the present livestock feed program for disaster areas to areas where pasture is contaminated by fallout, will be accepted and will be made part of the pending bill.

I recognize that hearings have not been conducted on this subject. However, it is of such urgency that I believe in this case we must act at once. Starting August 23—this Thursday—cows producing milk for sale in fluid markets in Minnesota will be fed stored feed. By this technique any risk of milk being contaminated by fallout is eliminated. The radioactive iodine 131, which is the source of the high radiation levels in Minnesota and elsewhere, has a relatively short half-life—so taking cows off pasture and putting them on feed that has been stored 30 days or more is an effective and feasible countermeasure.

But it is absolutely clear to this Senator that the extra cost of this countermeasure should not be borne by the individual farmers involved, or by the consumers of milk in the areas where Iodine 131 contamination is or becomes a problem. By the simple step of extending the livestock feed program to cover the "disaster" of pastures contaminated by fallout, it will be possible for this cost to be fairly shared.

What is more, I can think of no better use for the Government-owned stocks of feed grains, which critics of farm programs consider so excessive. As a matter of fact, feed grain stocks are now down to a little more than a 5-months' supply. Already one entire State is going to divert cows from pasture to stored feed. In the light of the large expenditures that have been made for civil defense in recent years, this investment in a safe, protected, fallout-free food supply is wise and prudent.

My amendment extends an already functioning program in a simple and logical way. No new administrative setup would have to be established. The same staff employees who now operate the livestock feed program for disaster areas could run the extended program too. Because the impact of fallout contamination is not fully known as yet, my amendment also would give the Secretary discretion to set the terms and conditions under which stored CCC feed could be made available.

Mr. President, I ask unanimous consent that an article from the New York Times of August 19 discussing the diversion of milk cows from pasture to stored feed in Minnesota be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILK PLAN FIGHTS IODINE 131 DANGER—MINNESOTA WILL PAY FARMERS TO GIVE COWS AGED FEED

MINNEAPOLIS, August 18.—In a program aimed at reducing possible danger of iodine 131 concentration in milk, Minnesota's milk producers will be paid a premium for milk from herds fed on aged feed.

The voluntary program is scheduled to start next week with participation of most grade A milk producers and processors in the State. It will pay the farmers a bonus of 45 cents a hundredweight for class 1 milk (fluid milk) from cows that have been taken out of pasture. The feed given these cows must have been stored under shelter at least 21 days. During such a period, iodine 131 loses most of its radioactivity.

State agriculture officials emphasized that concentrations of iodine 131 were not at a dangerous level in Minnesota. The new program is aimed at avoiding any danger by making possible the collection of "clean" milk that could, if necessary, be blended with other milk to reduce its iodine level.

Farmers, told of the program at local meeting, have generally been receptive. The duration of the program is uncertain, but it could continue until late fall, when farmers normally move their herds from pasture to winter quarters.

MAY BRING PRICE RISE

The program may result in an increase of 1 cent a quart in the retail price of milk.

One of the largest participants will be the Twin City Milk Producers Association, whose 2,600 farmer producers provide most of the fluid milk for the Minneapolis-St. Paul area.

Walter Larson, association president, said in a letter to farmer members that "the cumulative total of iodine 131 in our milk supply is increasing at a slow rate."

But, he said, as a result of Russian nuclear testing it "will probably increase faster and reach objectionable levels unless corrective measures are taken."

Mr. Larson's letter added:

"Every producer who can should promptly convert to aged feeding to preserve and protect his fluid market. If sufficient number of producers sign affidavits to voluntarily take the corrective action of aged feeding, iodine 131 counts can be lowered so it may not be necessary for regulatory groups to

take more drastic action or to make public announcements of the situation."

MILK DIVERTED IN UTAH

Earlier this month milk producers in northeastern Utah were ordered to divert milk from certain areas there from Salt Lake City because of a sharp rise in the content of radioactive iodine 131.

Dr. G. D. Carlyle Thompson, State health director, attributed the rise to atomic test explosions in Nevada. On July 6, he noted, the level of iodine 131 in the areas was not detectable, but it jumped to 1,660 micromicrocuries a liter of milk on July 20. It dropped to 450 for a few days and then rose to 2,050 on July 25, he noted.

A curie is the amount of radiation given off by one gram of radium. A micromicrocurie is a millionth part of a millionth of a curie. A liter is slightly more than a liquid quart. The recommended limit of radiation for a human being is 36,000 micromicrocuries a year.

Mr. PROXMIRE. Mr. President, just this afternoon Mr. Tom Pattison, the Farmers Home Administration director for Wisconsin, arrived in my office bearing a memorandum and statement from our Wisconsin State Disaster Committee recommending that the livestock feed program be extended to cover contamination of pasture by radioactive fallout.

Tom Pattison is himself a dairy farmer. He has himself had to sign a producer's warranty stating that his own cows will be fed only stored feed beginning this Thursday, August 23. He thus knows from personal experience, as well as from his position as State FHA director, what is involved in providing protection from fallout contamination for milk. He has told me that unless a Federal program such as I have proposed is immediately authorized individual dairy farmers will suffer serious financial injury. Even if the price of milk to consumers in affected areas is raised a penny a quart, as is proposed in Minneapolis-St. Paul, the financial increment to dairy farmers will not be sufficient to cover the added costs. What is more, I deplore this method of paying the costs. Individual consumers should not have to pay the price of nuclear tests than should individual farmers. This is a national problem and it needs to be solved on a national level.

I ask unanimous consent that the memorandum, statement, warranty, and other information provided by Mr. Pattison be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUGUST 17, 1962.

To: Wisconsin State Disaster Committee.
From: Douglas County Disaster Committee.
Subject: Request for extension livestock feed program.

We, hereby, request extension of the livestock feed program to December 15, 1962, at 75 percent of price support due to fallout.

Please advise.

ROBERT L. FARICY, *Chairman.*

MINUTES OF THE DOUGLAS COUNTY DISASTER COMMITTEE

DOUGLAS, WIS.

The committee met on Friday, August 17, 1962, at 1:30 p.m. in the ASCS county office.

Present: Robert L. Faricy, chairman; Raymond E. Polzin, county agent; Virginia E. Gunn, secretary.

The chairman called the meeting together for the purpose of discussing continuing the livestock feed program for next year. The third member, William Bernard O'Sullivan (FHA) could not be present but was in favor of the extension.

An aged feeding program is scheduled for this area (including Douglas County) to offset the possibility of radioactive substance (iodine 131) which can be accumulated in the milk.

To assure the public of good wholesome milk, the aged feeding program will begin September 1, 1962, and be carried on for at least 6 weeks. This program requires considerably more grain than would normally be fed to replace the second crop pasture that we normally have available here during this period.

It was unanimously agreed to request the State disaster committee to extend the livestock feed program to December 15, 1962, at 75 percent of price support.

Respectfully submitted.

VIRGINIA E. GUNN, *Secretary.*

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS, STATE OF WISCONSIN,
Superior, Wis., August 16, 1962.

DICK SCHUSTER.
EVERT WALLENFELDT.
VIC BUREALOW.
WALLACE MEHLBERG.

DEAR FRIENDS: Enclosed are some materials being used in explaining the iodine 131 situation to producers in this milk shed. We are now holding producer meetings to sign up for stored feeding. While many objections are voiced it appears that we have no choice but to comply. A premium of 20 cents per hundred will be paid for all who comply.

Wisconsin agents are a little uncertain about where we stand in this, but it looks like we have no choice but to cooperate with the dairy industry and try to prevent consumer panic.

The question of Federal assistance keeps coming up. I'm sure there will be a request to reinstitute the livestock feed program. It will be a couple of weeks yet before our oats is harvested and then it can not be fed for 21 days. It seems like the Defense Department rather than USDA should be responsible for the cost of this program.

Sincerely,

RAYMOND E. POLSIN, *Douglas County Agent.*

PRODUCER'S GUARANTEE WARRANTY

The undersigned, who is a grade A patron(s) delivering milk to Twin Ports Cooperative Dairy Association for his account, does hereby make the following warranty and guarantee:

1. That all grade A milk delivered for his account on and after August 31, 1962, will be from cows which have been fed entirely on aged feed. (Aged feed shall be feed which has been harvested, collected, and bunched into stacks or stored under shelter for at least 21 days.)

2. That he will continue shipping milk from cows fed aged feed until he is notified in writing that this guarantee warranty is terminated or until he has given Twin Ports Cooperative Dairy Association written notice 5 days in advance of the date he will discontinue this guarantee warranty.

3. That this guarantee warranty is made with the understanding that any premiums collected in the sale of milk from cows fed aged feed or any other additional moneys collected by Twin Ports Cooperative Dairy Association specifically for this program will be distributed each month to all patrons who signed similar guarantee warranties and are delivering milk from cows fed aged feed, in addition to the regular price paid for grade A milk that month.

4. That, if he feeds his cows producing milk any feed other than aged feed during the period this guarantee warranty is in effect without giving notice as specified in paragraph 2 above, he will forfeit all right to any additional payments that month and agrees that in satisfaction of damages for breach of obligation his total milk deliveries for that month shall be paid for at the manufacturing grade II price.

5. During a period of alertness requiring aged feeding, cows shall be confined in an area that prevents miscellaneous grazing or eating unaged feed.

The undersigned hereby acknowledges reading and agreeing to the terms of this guarantee warranty.

Date signed ————.

———— ————,
(*Producer's Signature*).

———— ————,
(*Producer's Signature*).

AN AGED FEEDING PROGRAM TO REDUCE IODINE 131 LEVELS FOR FLUID MILK CONSUMPTION

STATE OF MINNESOTA,
July 30, 1962.

1. All milking animals must be removed from pasture and confined in a yard where no grazing is available. Fencing should be adequate to prevent accidental access to fresh pasture.

2. Grain and roughage fed to cattle must have been harvested and stacked, preferably under cover, for at least 21 days, as iodine 131 has a half-life of 8 days and it will be at a very low level after this period.

3. Cattle must not be fed field chopped hay or any other crop unless it has been held for at least 21 days.

4. If silage or haylage is to be fed it must have been in the silo for at least 21 days, therefore, two silos may be necessary if they are being filled and fed from at the same time or some other means devised to insure adequate storage time in the silo prior to feeding.

5. If canning plant refuse is being fed, care must be exercised to see that it has been harvested at least 21 days prior to feeding.

6. Freshening cows should be fed aged feed for at least 10 days prior to adding their milk to a bulk supply that is under an emergency aged feeding program.

FALLOUT AND THE MILK PRODUCER

You have all read or heard a great deal about fallout during the past months and have, no doubt, been confused and concerned about the effect it has on you, the milk producer. I will make an attempt this evening to give you a brief outline of the available information on the subject. I would like to emphasize that this presentation is not made to alarm you, but, on the contrary, is presented to provide you with an understanding of the problem before it becomes too critical and causes hasty action in a moment of panic. We are all subject to serious doubts about the unknown so I will try to anticipate your questions and provide answers. If you still have unanswered questions, ample time will be provided at the end of the presentation for individual questions. There is a lot still unknown about this subject and we certainly do not have all the answers, but will attempt to pass on to you what current knowledge we have.

WHAT IS FALLOUT?

This is a word used to cover the wide range of radioactive material that settles out of the air following the testing of atomic bombs or other thermonuclear devices. The word is a general one and covers strontium, cesium, iodine, or any other material which is radioactive. There is a very important distinction between fallout from testing and that likely to be encountered in case of a nuclear war. The amounts of fallout from

testing which are presently being discussed are very small, in contrast to heavy loads of fallout that might occur as a result of a release of an atomic bomb during wartime.

WHERE DOES IT COME FROM?

The entire world is constantly being covered by natural radiation from the sun, rocks, etc., but fallout, as discussed in the news media these days, is entirely manmade and results from the explosion of weapons or other devices. When a bomb is exploded the fallout material is released into the upper atmosphere and is moved around the world by winds at very high speeds. The radioactive material gradually settles out to the earth by means of rains, snow, settling dust, etc. You can see that explosions released anywhere in the world can cause fallout anywhere, depending to a large extent on weather conditions, and can continue for many years in the future. Because of these facts, we must remember we can be subject to fallout from tests made anywhere in the world and so have little control over the amount or extent of the fallout, even if we were to discontinue our own series of tests.

WHAT DOES FALLOUT MEAN TO THE MILK PRODUCER?

As you know, much of the publicity on fallout has, unfortunately, left the impression that milk contains more fallout than other forms of food. It should be understood that some of the reasons for testing milk are that it is universally produced every day, is used by a wide segment of the population, and is a convenient medium for testing. As much of the early testing was largely confined to milk, reports were usually in terms of the amount of fallout present in milk and the consuming public soon associated fallout with milk and, in some instances, may have been influenced to curtail their milk consumption. This trend is very important to the producers, as a reduction in consumption inevitably leads to lower prices to producers. If the trend continues and nothing is done, possible loss of markets for milk will be the result.

IS FALLOUT A PROBLEM FOR MILK ALONE?

In most cases the problem of fallout is just as serious for other foods as it is for milk, but, for the reasons indicated, milk has been the culprit in the minds of many people. We in the dairy industry should not try to get off the hook by implicating other foods, but we should have an understanding of the problem so we can defend our own product. Fallout such as strontium 90 falls to the ground and contaminates all material. It can be absorbed by growing plants and vegetables and be consumed in that manner or it can be eaten by the cow and transferred to milk and then consumed. Fallout such as iodine 131 falls to the ground and contaminates all material, is eaten by the cow and transferred to the milk. However, there are two reasons why iodine 131 presents a special problem for the fluid milk industry.

1. Milk makes up the major portion of the diet of infants, which are the most susceptible age group, and any iodine 131 in the diet of pregnant women or nursing mothers can also cause problems for the very young child.

2. Iodine 131 is present on the above-ground portion of any plants or vegetables, but, as there is usually considerable delay between harvest and consumption, the natural decay of radioactive iodine has greatly reduced the level.

It is because of these two facts that iodine 131 presents a more serious problem in milk than in other foods.

WHAT IS THE CURRENT FALLOUT PROBLEM?

Many of you are, no doubt, puzzled by the shift of emphasis from strontium 90 to iodine 131. This is not entirely a change because of the change in levels, but rather is brought about by a better understanding of the problem. Strontium levels have never been extremely high and are currently at levels that cause very little concern. Iodine 131 is much better understood now and is causing concern. I will try to briefly explain some facts about this problem. Radioactive iodine is a very short lived material. The total amount is reduced by half about every 8 days, so that after about 30 days following the test, there is very little radioactive material left.

Because the cow rapidly converts grass to milk and milk is consumed very soon after production, the material is transferred to the consumer before it has had time to decay. Whereas, in the case of meat, vegetables, grain, etc., this time before consumption is much longer. While iodine 131, as fallout, presents a problem that is essentially one for the milk industry, it also brings with it an encouraging fact that it makes it possible, because of its very short life, for the milk producer to make some contribution toward control in dairy products.

WHY IS IODINE 131 A PARTICULARLY SERIOUS PROBLEM?

Iodine is absorbed by the thyroid gland of humans and there is concern that excess levels of iodine 131 can cause damage to the very young thyroid gland. This means that it is important to young children and, when you consider the bulk of their diet comes from milk, there is good reason to be concerned. As a general rule, the only segment of the population that needs to be concerned are children under 1 year of age, pregnant women, and nursing mothers, as the thyroid gland of people over 1 year of age is less sensitive to damage. While this segment of the population makes up less than 5 percent of the total, we must remember that all people are not going to consider the facts: It is only natural for the mother to feel that milk unsuitable for her 1-year-old is also unsuitable for her other children so it would seem necessary to have a total milk supply that is relatively free of iodine 131 in order to make a major contribution to the reduction of fear from this source and protect your fluid milk market.

WHAT ARE SOME POSSIBLE CONTROL MEASURES?

Since the middle of June, your staff has had many meetings with other producer groups, milk dealers, local and State regulatory people, and the U.S. Public Health Service and others in Washington, to discuss and evaluate all possible control measures. There are several methods available, none of which are completely satisfactory and some of which would be exteremely unsatisfactory.

1. Suspension of bomb testing or a change in time of testing. This is, of course, a political issue and involves national security and is beyond the control of the dairy industry. The timing of testing could be controlled in this country so that if it took place in the winter iodine 131 would have all disappeared before it could get onto pastures, however, we have no control over the testing by other nations so this method would seem to be of little value in our current or future problems.

2. Aging of milk prior to sale or consumption is another possible way of control, as this would provide time for the decay of iodine 131 before it was consumed. If milk could be held for 8 days after production, the radioactive level would be reduced by half. Think of your own situation. Could you store milk so you would always have 8-day-old milk to drink? It would be very difficult. The problem would be even more difficult for a dairy, as necessary storage capacity would be tremendous. As there are serious objections to the production of a special milk for this susceptible group of individuals, it would seem impractical to rely on this method.

3. It has been suggested it would be possible to bring in supplies to a contaminated area from one with lower levels of contamination. The methods of daily evaluation to determine if the supply is safe are not available. An area that is clear today may be contaminated tomorrow, so problems of supply management would make this method very impractical and offer very little positive control. This is not just a problem and could occur anywhere in the Nation at any time.

4. Use of evaporated milk, sterile milk, or reconstituted dry milk has been most often mentioned, as this milk has been stored for a long period of time and the presence of iodine 131 would have dissipated during this period. This is the procedure being followed and advocated by those groups who are panicking and not studying the facts. Such a change in the wholesale milk consumption of our Nation would wreck the fluid milk market and would eventually be disastrous to the industry and the nutritional health of the consumer.

5. Controlled feeding of milking animals to insure that they do not eat contaminated feed seems to offer the best solution. Other markets throughout the Nation have also arrived at this same conclusion. We are well aware that this addition to our milk supply is through no fault of the producer and to place the burden on him at first seems unfair. Testing of bombs is being done for the general national security and, of course, when changes are made, some people suffer—often unfairly. As an example, when tractors took over on farms, the horse breeders and the harnessmakers suffered, but no one seriously suggested that we not use tractors. However, in this situation, it is reasonable to assume that the consumer will be asked to share some of the additional costs, but it is up to the producer to do everything possible to protect his market as the first requirement in this step that is so vital.

HOW DOES CONTROLLED FEEDING HELP?

Remember two facts previously presented: (1) Fallout settles on the forage, is consumed by the cow, and passes into the milk; (2) iodine 131 dissipates in about 30 days. If an emergency situation should develop, it would be possible to substantially reduce iodine 131 in our milk by removing cows from fresh forage and feeding them grain and roughage that has been harvested and stored in piles or under cover for at least 3 weeks. This would be feed on which iodine 131 present would have already decayed so very little would be able to pass through the animal into the milk supply.

OUTLINE OF PROCEDURE

After discussion with many groups of producers, regulatory officials, and others, the following procedure has been suggested for a uniform, statewide program to insure a milk supply with a low level of iodine 131 if and when an alert situation should develop. Such a program will enable producers for the first time to have a concrete answer to adverse publicity. Scare tactics can be answered with the information that producers are prepared to provide a wholesome milk supply if an emergency arises.

1. When the U.S. Public Health Service or authorized agency announces that this area is in the danger zone and emergency measures are needed, producers should be ready to implement the plan of aged feeding rapidly. Some advance warning should be possible—this might be only 4 or 5 days.

2. We will immediately mail affidavits to all grade A producers and advise them of the estimated premium they would receive for milk from aged feed. Each producer would have the opportunity to sign that he would produce all his milk from aged feed within 5 days from the date of the affidavit. Affidavits are to be returned within 5 days.

3. The producer organization would immediately evaluate the number of returned affidavits to estimate the percent of compliance and the approximate effect this effect would have on the radioactive iodine level.

4. Public Health Service would continue to advise the producer groups of testing results and notify them when they felt the alert period had expired.

5. The percent of affidavits returned would furnish a guide or information which might be helpful in determining whether or not it might become necessary to either establish a higher premium or segregate milk at pick up.

6. Health department personnel, fieldmen, and others would be expected to report any violations, and so forth.

I have attempted to give you a brief outline of the problem the industry faces and a possible solution. We would like to emphasize that there is no need to panic. We are constantly being advised by our State board of health and the U.S. Public Health Service of the situation and we will be alerted in time to implement the plan. We feel it is important that you all know the situation and are familiar with the subject. It is much easier to do this at a time when we are not under pressure than it would be in a time of emergency. I am sure there are many questions left unanswered so let's have plenty of discussion so we can all become familiar with the problem that could adversely affect our business, if not properly controlled.

Mr. ELLENDER. Mr. President, this amendment would authorize the Secretary to make feed owned by CCC available to producers of milk when necessary to assure a supply of milk free of radioactive fallout contamination. Feed might be made available at such prices and on such terms and conditions as determined appropriate in the public interest.

This amendment would permit supplementing supplies of stored feed available commercially when countermeasures against radioactive fallout require taking cattle off of pasture and other contaminated fresh feed.

At present there is no apparent shortage of stored feeds. Hay supplies in areas most likely to be affected by fallout are above normal and high levels of grain and concentrate feed are, or will shortly, be in effect for the winter months in these areas. The Department is studying the situation and will make such recommendation, as early as possible, as it feels is required under the circumstances.

Mr. President, I have discussed the amendment with my good friend from Wisconsin. I am willing to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Wisconsin, for himself and the Senator from Minnesota.

The amendment to the committee amendment was agreed to.

Mr. HUMPHREY. Mr. President, on behalf of my colleague [Mr. McCARTHY], who is unavoidably absent because of an operation on his young daughter, and for myself I call up the amendment identified as "8-16-62—A."

The PRESIDING OFFICER. The amendment wil be stated for the information of the Senate.

The CHIEF CLERK. On page 91, between lines 7 and 8, it is proposed to insert the following:

SUBTITLE C—DAIRY

SEC. 326. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending March 31, 1964.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending March 31, 1964, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending March 31, 1964, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 327. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods, starting on or after October 1, 1962, and ending March 31, 1964, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or fifteen thousand pounds of milk below their normal marketing levels established pursuant to section 328 of this Act of each such quarterly marketing period. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 328. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 327 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the marketing year ending March 31, 1962, or (ii) the Secretary's estimate of what would be marketed in a marketing year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961-62 marketings as he deems necessary for flood, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's prior marketing pattern, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 329. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 330. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 331. The Commodity Credit Corporation may make supplemental payments to producers of milk for maufacturing who enter into agreements under section 327, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

SEC. 332. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 333. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof shall in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to surplus reduction payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform

price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 334. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 335. (a) Notwithstanding section 201 (c) of the Agricultural Act of 1949, as amended, the Secretary may, in carrying out the emergency dairy program authorized in this subtitle, establish price supports for milk and butterfat at such level between 70 and 75 per centum of the parity price therefor as he deems appropriate.

(b) The authority granted by the provisions of subsection (a) of this section shall become effective on April 1, 1963.

Mr. HUMPHREY. Mr. President, my colleague, the Senator from Minnesota [Mr. MCCARTHY], is the main sponsor of the amendment, and I am a cosponsor.

Mr. President, this amendment would add a dairy program to the Senate bill. It is an emergency measure and it would be in force for 18 months, starting October 1.

I believe Senate approval of a dairy program this year is of utmost importance to the welfare of the dairy farmers of the Nation, as well as a responsible action to reduce the excessive Government-held surpluses of dairy products and the extremely high Government costs under the existing program.

I do not believe anyone disputes the seriousness of the dairy situation. Dairy farmers are greatly concerned and representatives of the major dairy producer groups are apprehensive. I regret these representatives have not been able to agree on recommendations for a program, but at the same time I do not believe the Congress is relieved of the responsibility to act on an emergency program because producer groups are unable to agree. We have an opportunity at this time to take a constructive step to reduce Government costs, to improve dairy income, and to prevent accumulation of Government-held surpluses.

A well-balanced dairy industry is of direct value to everyone in the Nation. Milk is used in every home and it is of particular importance for the health of children. Milk is produced in every State of the Nation.

Yet the distress of this industry is reaching emergency proportions. In his letter of last week to the Senator from Louisiana [Mr. ELLENDER], Secretary Freeman stated:

> The dairy price support program is now reaching an extremely critical situation.

The Secretary was specific about the need for action. He wrote in the same letter:

> In my opinion there is an urgent and immediate need for legislative action in order to prevent a debacle with the most serious consequences for dairy farmers, consumers, and taxpayers.

The fact is that the existing dairy legislation, regardless of its merits in the past, is not accomplishing its purpose under present law, milk and dairy products are supported at a minimum of 75 percent of parity, and the Commodity Credit Corporation is obligated to make purchases necessary to maintain that level. Yet dairy income will be down from $250 million to $300 million this year—reflecting the obligatory cut in price supports of last April 1 from 82 to 75 percent of parity. Yet the net cost of the dairy price support operation for the last marketing year totaled $597 million, and the Department has estimated that the cost for this year will be $550 million. The Commodity Credit Corporation is purchasing dairy products for price support purposes at the equivalent of an annual rate of 10.5 billion pounds of the annual marketings of 119.3 billion pounds—which means the equivalent of about 10 percent of the marketings of milk.

The cost of the dairy program has reached an alltime high. Secretary Freeman stated in his letter of August 15 to the Senator from Louisiana [Mr. ELLENDER]:

> These Government expenditures amount to 50 cents for each 100 pounds of milk marketed by U.S. dairy farmers during 1961–62. * * * The cost of price support operations for the amount of milk produced during the year by an average dairy cow comes to $36; the cost for a herd of 30 average milk cows for the year was $1,080.

It is expected that the CCC will have to acquire 400 million pounds of butter, 250 million pounds of cheese, and 1.2 billion pounds of dried milk this year.

The storage of butter has already nearly reached capacity, and Secretary Freeman states:

> Because space is not available locally, we are already required to ship butter from Minneapolis to the South for storage, necessitating extra transportation costs of 1 to 4 cents per pound before its ultimate disposition will be possible. * * * We are face to face with the prospect within a few months of having no place to put butter acquired through price-support purchases.

The dairy farmers of the Nation have been severely criticized for not cutting down on production and for not initiating a self-help program. But in the practical operations of the farm market, can we censure the individual farmer for the fact of excess production? Can we with justice chastise and threaten him because of surpluses? The last census showed that there were more than 800,000 farms in the Nation that reported sales of whole milk, and more than 250,000 farms reported sales of cream. If the individual farmer determines to cut back 10 percent of his marketings, does he have any guarantee that total production will drop? Does he have any guarantee that his neighbors will likewise reduce their production? From his viewpoint, the only certain thing is that his income will drop.

As Secretary Freeman stated:

> Individual dairy farmers are continuing to improve their efficiency and increase production at a rapid rate. At present milk prices, this is the only means the individual dairy farmer has of maintaining his gross income in the face of continually increasing production costs.

I do not believe we should be too hard on the individual dairy farmer for failing to reduce production. I think we must admit present law does not really contain any procedure by which dairy farmers can carry out an effective reduction program. My discussions with dairy farmers and dairy industry leaders indicate that, on the whole, they would welcome a procedure by which they could make adjustments, but they are fearful of any change in the present law unless the method of adjustment provides safeguards to maintain their already low income.

Our amendment provides a procedure for a fair and reasonable adjustment. It is a voluntary program. It does not impose any mandatory quotas and it does not require a referendum. It is not offered as a final or permanent solution, but as an emergency measure to be effective over the next year and a half. It is designed to increase the net income of the average cooperator and to cut down on Government costs and Government-held surpluses. It would provide valuable experience and a basis for effective permanent legislation.

The bill approved by the House of Representatives, H.R. 12391, contains a dairy program to encourage milk producers to make voluntary reductions in their marketings. Under the House bill producers would be paid up to $2.50 per hundred for reduction of from 10 to 25 percent of their average marketing for 1961.

The House program is a minimum approach, but it does not offer much prospect of reducing the surplus to a significant degree or of improving the income of dairy farmers.

Our amendment generally incorporates the House provisions. It would provide for surplus reduction payments to producers of up to $2.50 per hundred on the quantity by which they reduce their production. It also would permit producers in Federal order markets to make adjustments in their marketings at the surplus price rather than at the blend price and thus would safeguard their share of the class I market.

The important addition of our amendment is the provision to permit the Secretary of Agriculture to make supplemental payments to cooperating producers of milk in addition to the surplus reduction payments. The amount of the supplemental payment would be set by the Secretary at a rate not to exceed the difference between the U.S. average price at wholesale of milk for manufacturing purposes and 90 percent of parity for that quantity.

The Secretary would also be permitted to set the general minimum support price at between 70 and 75 percent of parity, but this authority would not be effective until after the end of the current marketing year, March 31, 1963. This authority would not replace the existing law but simply would provide for a temporary exception when the emergency program is in operation.

Our amendment is based upon the same procedure employed in the emergency feed grain program of the past 2 years. The surplus reduction payments of milk are to be the equivalent to the payments on acreage diverted from feed grain production. The supplemental payments on the milk marketed by those choosing to enter the reduction program are to be equivalent to the difference between the support price offered feed grain producers and the market level at which those who do not enter the program sell their feed grains.

In the dairy program it is not possible to maintain different prices in precisely the same manner as in the feed grain program because the loans or purchases used in the feed grain program cannot be extended to individual producers on their milk. The effect of the supplemental payments, however, is the same: the supplemental payments made to cooperating milk producers would reflect the difference between the market price and the support level set by the Secretary—up to 90 percent of parity—for those cooperating in the program.

It is estimated the program provided by our amendment would accomplish a fairly substantial reduction in dairy price support expenditures by the Government. The savings over the existing program would be achieved because it is cheaper to make a surplus reduction payment of $2.50 or less to the producer for not producing a hundred pounds of milk than for the CCC to pay over $4 for the milk after it is produced and processed. The economy of this procedure is estimated to be great enough to permit making the supplemental payments to cooperating producers and still realize a savings in total costs over the existing program.

The individual producers who choose to enter the program would benefit from the payments and they would receive an effective higher support level and higher income than they are receiving under the present program. Producers who do not wish to participate would be free to produce as they desire at the market price.

The House bill recognizes the problem. It does not have the potential for securing a substantial participation by dairy farmers. It is clear the temporary feed grain program would not have been as effective if payments had been made to farmers only for diverted acres. The feed grain program provides also for a higher support price on the amount the cooperator markets. The same procedure is needed for an effective dairy program. The amendment which I am offering for myself and my colleague, the Senator from Minnesota [Mr. McCarthy], would give the Secretary of Agriculture authority, to be used at his discretion, to improve the income of dairy farmers and to meet the problem of dairy surpluses and costs over the next 18 months.

In summary, the amendment would provide:

First. A voluntary, emergency program; no mandatory quotas and no producer referendum.

Second. Effective for 18 months, October 1, 1962, to March 31, 1964.

Third. Surplus reduction payments for those producers who choose to participate; payments of up to $2.50 per hundredweight on amount of average marketing reduced, between 10 and 25 percent based on normal marketings for the 1961–62 marketing year—March 31, 1961, to March 31, 1962.

Fourth. Supplemental payments to those particpating; paid on quantity they market at a rate not to exceed the difference between the U.S. average price at wholesale of milk for manufacturing and 90 percent of parity for that quantity of such milk.

Fifth. Authority for the Secretary to adjust the general basic price support for milk between 70 and 75 percent of parity, dependent upon supplies; effective April 1, 1963, and only for purposes of carrying out the emergency dairy program authorized by the act.

Mr. President, my colleague and I have prepared a table as an example of what would happen under the terms of the proposal. It would, in essence, reduce the cost to the Government, on the basis of an estimate of the Department of Agriculture, for the coming year. There would be approximately a $110 million reduction in the cost of the dairy program.

Our proposal would increase the net income of farm producers more than $150 for an average producer who markets a thousand hundredweight of milk. It would also reduce the cost to the farm producer by the elimination of certain feed costs, thereby increasing total net income substantially.

Mr. President, I ask unanimous consent to have the table to which I have referred printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Payment program with market price at $2.90 (70 percent of parity), 1963–64 marketing year

PROGRAM EXPENDITURES	
Current projection of marketing (billion pounds)	120.0
Estimated commercial market at $2.70 (billion pounds)	110.5
Needed adjustment [1] (billion pounds)	9.5
Surplus reduction payments on 95 million hundredweight at $1.90 per hundredweight [2]	$180,000,000
Supplemental payments on 547 million hundredweights of cooperator milk at 40 cents per hundredweight [3]	$219,000,000
Purchases of 600 million pounds NFIM [4]	$90,000,000
Total program expenditure	$489,000,000

Payment program with market price at $2.90 (70 percent of parity), 1963–64 marketing year—Continued

AFFECT ON A COOPERATING PRODUCER	
Present gross from 1,000 hundredweights of milk	$3,110
Under McCarthy-Humphrey program:	
Market return on 900 hundredweight	$2,610
Surplus reduction payments	$190
Supplemental payment	$360
Gross from 900 hundredweight	$3,160

[1] Assumed about 70 percent of producers reducing 10 percent, or 35 percent reducing 20 percent.

[2] Surplus reduction payment rate set at $1 less than market price.

[3] Supplemental payment rate set at level adequate to make gross income of cooperator slightly higher than at 75 percent of parity under present program. Also assumes 50 percent of cooperators are Federal order producers receiving payment on 28 percent of milk marketed.

[4] Purchases of NFIM equal to quantity by which present percent surplus of nonfat milk solids exceeds present percentage surplus of milk fat.

Mr. HUMPHREY. I am hopeful the Senate will see fit to send to conference, for purposes of whatever refinement may be permitted there, a dairy program which would do something, first, about the growth of the accumulation in Government hands of dairy products, which is a very serious matter. Second, the sharp drop in dairy income. Dairy farmers are among the hardest working farmers we have. They have high costs of operation and maintenance. Third, the program would reduce the cost to the taxpayers, according to the Department of Agriculture's own estimates, by $110 million in 1 year, which is no small amount of money in any program or in any bill.

I would appreciate the comments of the chairman on the subject, because I feel the proposal merits support.

Mr. ELLENDER. Mr. President, I regret to say that I do not favor the amendment. As I stated yesterday and last Friday, the milk program deserves a great deal of study. In order to attain that goal, I introduced a bill which would serve as a vehicle for the holding of hearings during the recess and early next year in the hope that we can get a dairy bill together.

As the Senator is aware, an almost identical amendment was offered to the Senate in May when we considered S. 3225. At that time I objected to the amendment, and the Senate voted it down. I hope the Senate will take the same steps this time so that we can go along with the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. As I understand, the House bill does contain a dairy section.

Mr. ELLENDER. I understand that it does.

Mr. HUMPHREY. It is my sincere hope that the measure which has been

developed by my distinguished colleague [Mr. McCarthy]—and I pay particular respect to him for the work he has put into this proposal—it is my hope that in conference the main features of the amendment will be incorporated. It is my hope the Senate will vote favorably upon the amendment. I make that statement because it offers at least some temporary relief. It offers the relief on a tried and tested principle of what we call surplus reduction payments, along the lines that have been incorporated in the emergency feed grain program. It also provides for supplemental payments on the amount the producer markets, so that, for example the net income of the farm producer, by producing 100 hundredweights less of milk, would be higher than if he produced his full amount.

In other words, the farm producer who would produce 1,000 hundredweight of milk would actually receive less money than if he participated in the program and produced 900 hundredweight of milk. This is the kind of program, it seems to me, which would provide some relief for the farm producer. It would provide tax relief for the taxpayer, and provide some relief for the Government of the United States in the accumulation of surpluses.

I am hopeful we can have favorable action on the amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. The proposal was brought before the committee. The committee rejected it both last April, as I recall, and again this time.

I ask unanimous consent that there may be printed in the Record at this point an explanation of the amendment.

There being no objection, the statement was ordered to be printed in the Record, as follows:

This amendment is somewhat similar to the dairy diversion provision of the bill as passed by the House, but provides in addition for production payments to participating producers.

This amendment provides for a diversion program during the period October 1, 1962, through March 31, 1964, under which the Commodity Credit Corporation could (1) make payments not exceeding $2.50 per hundredweight to producers agreeing to reduce their milk marketings below their adjusted marketings for the 1961–62 marketing year, and (2) make supplemental payments to such producers in amounts not exceeding the difference between the U.S. average wholesale price and 90 percent of parity.

Effective April 1, 1963, the range of price support levels for milk and butterfat would be reduced to 70 to 75 percent of parity.

To participate in the program a producer would have to reduce his marketings at least 10 percent and could obtain payments for a reduction of up to the larger of 25 percent, or 15,000 pounds per quarter. If the producer failed to reduce as much as he had agreed to do, but reduced at least 10 percent, he would be eligible for payments for the amount of the actual reduction, reduced by 20 percent of what would have been the payment on the quantity he failed to reduce.

In any marketing order area, payments from the pool would be adjusted so that the amounts paid participating producers would be reduced by reason of their reduced marketings only by the lowest class price multiplied by the reduction.

Mr. President, the Senate Committee on Agriculture studied a number of dairy programs during the course of its hearings on, and consideration of, S. 2786. Some of the programs studied were mandatory, while others were voluntary and somewhat along the lines of the pending amendment. There was a great deal of opposition to them. The mandatory programs were opposed as too restrictive. The voluntary programs were felt to be ineffective and too costly. At the time that S. 3225 was before the Senate, the Senate considered and rejected by a vote of 60 to 21 an amendment by the Senator from Wisconsin generally similar to the amendment now proposed by him.

The dairy situation is a very serious one, as indicated by the letter I recently received from the Secretary of Agriculture and inserted in the Record of August 16. I think the committee should hold further hearings to explore fully any new proposals or suggestions that can be developed.

I do not believe a satisfactory solution can be worked out at this moment. While the pending amendment contains some hopeful language with respect to assuring that reductions by one producer are not offset through the transfer of his cows to another producer, the mechanics for providing such assurance are not developed. It is a very complex problem.

As I pointed out when the similar amendment to S. 3225 was rejected by the Senate, I doubt that the farmers would feed their cows less, in order to reduce production. They would dispose of some of their cows, while other producers might increase their herds, possibly by acquisition of the same cows.

The average production of a cow in the United States, as I recall, is approximately 7,000 pounds of milk; and a farmer who had a cow which was producing 7,000 pounds of milk could dispose of the cow, and could obtain from the Government $175, in payments, at $2.50 a hundred; and the cow could find its way to another producer who could obtain from the Government $217.70 for producing milk—assuming that the cow would then produce the same amount that it did when it was owned by the other farmer.

On the other hand, the amendment contains a provision for the making of additional payments to farmers who would make this cut. In other words, such a farmer would be paid at the rate of $2.50 per hundred pounds, for every 100 pounds he reduced his production; but for the rest of his production, the Secretary of Agriculture would be empowered, under this amendment, to raise the price—the price on the rest of the farmer's milk production—or to give him compensatory payments, which could go up from $3.11 to $3.70 a hundred pounds.

So, Mr. President, I cannot understand how the Government would gain by this amendment; and in view of the fact that the program would be a voluntary one, and there would be no method by which farmers could be prevented from selling their cows or from making their cows produce less, I doubt that the program would have the benefits intended by the Senator from Minnesota.

So, Mr. President, I shall ask Senators to vote against this amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The proposal of the Senator from Minnesota makes a great deal of sense. Very simply, what it would do would be to permit the farmer to get as much as $2.50 per hundredweight for the milk which he does not produce. It makes sense for the reason that if the farmer does produce the milk, the Federal Government must pay $4.50 for it. Therefore the Government would save $2 for every hundredweight. In many cases the dairy farmer would be better off. He would reduce his production. Storage costs would be cut. The program adds up and makes a great deal of sense.

I understand that there is a chance, at least, that the amendment will not be accepted. It may not be agreed to. But the House measure contains that kind of provision, as I understand. I join the Senator from Minnesota in urging and pleading with the chairman to give real consideration to the amendment in conference. I hope and pray that he will at least give dairy farmers an opportunity to try that program for a few months. I think that, according to the House bill, the program would continue to June 1. Let us see if that kind of program would work. If it should work, it would cut Government costs and increase farm income.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. I merely wish to say to the distinguished Senator from Minnesota that this is not a local matter of interest in his State and the adjoining State of the Senator from Wisconsin. The dairy farmers of my State have informed me that about 90 percent of the dairy farmers in my State favor the proposed method of attempting to solve some of their difficult problems, and at the same time, as the Senator from Minnesota has pointed out, it would reduce the cost to the Government of this very program. I join in recommending that they be given an opportunity to see whether they can better themselves. At the same time the cost to the Government of the program would be reduced in the manner advocated by the senior Senator from Minnesota [Mr. Humphrey].

Mr. HART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HART. I congratulate both the distinguished Senators from Minnesota for developing the proposal that the Senate is now considering, and to express the hope, as they and other Senators have done, that the committee will be able to hear from those most directly concerned—the milk producers—some measure of agreement when the hearings are held.

Michigan has produced not only much milk of high quality but a very able leader in the dairy industry in America. Not only is he president of the Michigan Milk Producers Association but also he is president of the National Milk Producers Federation. I speak of Glenn Lake. I ask unanimous consent that an editorial written by Glenn Lake in the Michigan Milk Producers Messenger entitled "We're Riding a Tiger" be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

WE'RE RIDING A TIGER

(By Glenn Lake)

The cost of the dairy price support program to date has not been very great—averaging about $238 million every year for the past 10 years. That's a lot of money but it's far less proportionately than has been spent to support prices of other agricultural products.

If present milk production continues though, and no new ways are found to dispose of dairy products, Commodity Credit Corporation will have to lay out better than $600 million this year to support milk prices. That kind of money—twice what the White House says can be justified for a dairy program—is certain to arouse the public and Congress.

The Government may have 500 million pounds of butter and a billion pounds of powder on hand by the end of this marketing year. It looks now as if 10 to 12 percent of our 1962 milk output will have to be marketed through Government programs.

Some Congressmen are already saying that this tremendous buildup of surplus dairy products will almost certainly result in the loss of present guaranteed minimum supports at 75 percent of parity. Others believe dairy farmers have a better deal than the rest of agriculture and should accept lower supports (65 percent of parity has been suggested), or production controls, to reduce the cost of the dairy program.

A PERILOUS RIDE

We may argue against production controls and insist that present support levels are vitally necessary, but it is apparent we are weakening ourselves economically, politically, and institutionally by our own production efficiency. Nor can we argue with the fact that continuation of present production, without a corresponding increase in sales, is bound to result in lower prices regardless of what the Government does.

In a sense we are riding a tiger and dare not get off. Dairy farmers are forced to increase production to meet rising costs. Yet this increased output continually drives our prices down, forcing even greater expansion. We must ask ourselves if we are to continue this perilous ride or if there is a course of action that makes more economic sense.

While I do not think we should grasp at just any program in the belief that anything is better than what we now have, I do believe that dairy farmers must make a choice and must recognize that there is no course of action open to us which offers a simple or painless solution.

THREE CHOICES

In my opinion our choices have been narrowed down to three categories: (1) The economic application of price—let supply and demand correct the situation; (2) self-imposed restraint or reduction of output through cooperatives; (3) Government programs.

If we choose the supply-demand route, that is, no program of any kind—we must be ready to take an 80 cents to $1 cut in milk prices. That would probably balance supply and demand after awhile, but for the short run at least, such a program would border on economic suicide for dairy farmers, forcing many out of business.

Production control programs administered through co-ops are voluntary by nature. Their practicality might be questioned since they would place a premium on being a nonmember. Producers could escape controls simply by becoming nonmembers.

Properly enforced Government production controls as proposed in recent months could undoubtedly balance supply with demand. But if such programs were to sustain or improve net farm income, they must be accompanied by an increase in the price of milk. Such an increase has not been proposed or assured in any legislation thus far advanced.

CAN'T HAVE EVERYTHING

No matter what kind of program we might eventually have, we cannot have lower food costs to the consumer, lower Government costs, and better farm income all at the same time. Legislation suggested up to this point has emphasized the first two of these points, but has not provided for any improvement in dairy farmers' net income.

Regardless of how we may feel about the present unpleasant situation or the choices open to us, we cannot close our eyes and hope the problem will go away. It won't.

The administration's farm policies are aimed at controlling production and cutting costs of the dairy program in one way or another. We would be naive to think we are not going to have more Government in the dairy industry. It is up to us to see that we have the kind of program that is sound and will benefit our industry.

Mr. HUMPHREY. Mr. President, I yield the floor.

Mr. AIKEN. Mr. President, unlike the Senator from Louisiana, I can oppose the amendment offered by my esteemed colleague from Minnesota without particular regret. I do not think it is a good amendment. In fact, I do not think it would be a good idea to pay farmers $2.50 a hundred for not producing milk from October 1 until next spring, which is through the short season, and at the same time permit them to sell or lease their cows to one of their neighbors or relatives, who would get paid for milking them.

Mr. President, I should like to take about 2 minutes to put in the RECORD a few facts as to what has been transpiring in the dairy industry during the last 18 months. On April 1, 1961, the Commodity Credit Corporation owned no butter whatsoever. On August 17, 1962, the Commodity Credit Corporation owned 356,241,900 pounds of butter.

On April 1, 1961, the Commodity Credit Corporation owned no cheese whatever. On August 17, 1962, the Commodity Credit Corporation owned 106,796,800 pounds of cheese.

Since Congress last spring killed the administration's program for controlling the dairy industry, the production of milk has dropped below last year for two successive months, and continues to drop. The consumption of fluid milk has increased materially above last year. Prices for milk, except for manufacturing purposes, have sharply increased in many areas; not in all, but in many.

Commodity Credit Corporation purchases of butter and cheese have dropped below last year during 5 of the last 6 weeks.

The Secretary submits figures to the public to show that purchases of butter and cheese are greater this year than they were in 1961. We must remember, however, that the Secretary did not get a chance to start the New Frontier program for milk until April 1961, and that there were 3 months of 1961 when there were no purchases made whatever. So when the Secretary says that we have bought more butter and cheese this year than we did in the first 7 months of last year, he is entirely correct, but he forgets to inform the public that he includes 3 months of last year when there were no purchases under the previous program.

The butter market has been injured. There is no question about that fact. It happened for different reasons. The consumption of butter has dropped. There is one particular reason for that fact. On June 15, 1961, the farmers were receiving $2.60 a bushel for soybeans, and there was no excess of soybeans in the country. In the spring of 1961, the Secretary asked farmers to increase their planting of soybeans heavily, and to make sure that they did he raised support prices for 1961 from $1.86 a bushel to $2.30 a bushel. They planted in accordance with that request. They planted so much that the soybean crop last year hit almost 700 million bushels, by far the greatest production in this country. This year they will produce more. The price to farmers in 1961 for soybeans was $2.60 a bushel. It has dropped this year to $2.34 a bushel. The worst of it is that the price of soybean oil has gone straight down until yesterday it was only 8⅛ cents a pound; 8-cent oil knocks the props from under 58-cent butter. That is one thing that is happening to our butter market, although, as I have said, the Government presently is not buying as much butter as it was a year ago.

To offset the low prices of soybean oil, the processors in the last 2 years have raised the price of soybean meal 40 percent. That is where the catle feeders come into the picture. The livestock growers are being asked to pay the cost of the folly of the Secretary of Agriculture last year by encouraging people to go into soybeans over their necks.

The pending amendment should not be adopted. The chairman has stated that he will hold hearings on the dairy situation. The dairy situation is improving, although I am willing to admit that there is a peculiar problem in those areas where purchases of manufacturing milk only are made. I hope that in the course of the hearings we may find out what ought to be done about it. For those reasons I must oppose the amendment offered by my friend, the Senator from Minnesota.

Mr. MILLER. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. MILLER. I should like to ask the distinguished Senator from Minnesota a few questions. On the last page of the amendment reference is made to support prices. Do I understand that these support prices would be paid to all dairy farmers, both those who go into the voluntary program and those who do not?

Mr. HUMPHREY. The present law requires that all producers are eligible for the 75-percent support prices. The amendment would reduce the 75 percent to 70 percent. Those who participated in the program and voluntarily cut back would get what we call surplus supplemental payments. They would be the only ones that would get it.

Mr. MILLER. The support prices would be the same for both groups?

Mr. HUMPHREY. Just as it is under present law. Our amendment reduces the support price from 75 percent to 70 percent for all participants. This

would include nonparticipants as well as those in the program.

Mr. MILLER. The point I wanted to bring out was that although the provisions of the amendment are referred to as being similar to the emergency feed grains program, it seems to me there is a substantial difference with respect to support prices, because under the emergency feed grains program, the one who goes into the production program is guaranteed a higher support price than the one who does not, whereas under the pending amendment they are both treated the same.

Mr. HUMPHREY. If the Senator would read the whole amendment he would find that those who go into the program, while they would get the same support price level, would also get an additional support level, so that their net income would be brought up considerably.

Mr. MILLER. Is the additional support to which the Senator has referred covered by section 331 on page 5?

Mr. HUMPHREY. It is covered by section 327 on page 2, and also by section 328 on page 3, which relates to the so-called normal marketing level, and it is also covered by section 331.

Mr. MILLER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senators from Minnesota, to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, earlier we discussed the possibility of a final vote on the bill tomorrow. I now propound a unanimous-consent request. I ask unanimous consent to dispense with the requirement for a quorum call under rule XII before submitting an agreement to vote on final passage of the bill at a specified time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate vote on final passage of H.R. 12391 at 2 p.m. tomorrow, and that the time on the bill be equally divided between the majority leader and the minority leader after the conclusion of the morning business until 2 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HICKENLOOPER. What time does the Senator contemplate that the Senate will convene?

Mr. HUMPHREY. At 11 a.m.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

Ordered, That the Senate vote at 2 p.m., on Wednesday, August 22, 1962, on final passage of H.R. 12391, to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; *Provided,* That the time after the morning business be equally divided and controlled by the majority and minority leaders.

TEXAS, LARGEST FARM STATE, FAVORS FARM BILL

Mr. YARBOROUGH. Mr. President, the State of Texas, which with 232,000 farms has more farms than any other State in the Nation, has a vital stake in the pending farm legislation.

In my opinion, we will be courting economic disaster for many of our farmers, should we fail to pass extended, new and improved legislation this year.

Failure to act will force us to continue under an unchanged and unsatisfactory program dating back to 1958.

Many areas of Texas are currently hard hit by extremely hot and dry weather. My home city of Austin had over 55 days without rain. If farm prices are permitted to fall to the level permitted by the 1958 program, untold hardships will be brought down on our farm population.

The impact of income losses in agriculture, added to the blows already dealt to national stability by an unstable economy and a high level of unemployment, is something that must be and can be avoided by this Congress.

The national economy has a stake in the farmer's plight. A downhill slide is hard to stop. The repeal of all farm support legislation would bankrupt American agriculture, and the drought-stricken areas will suffer first and most. Hundreds of thousands of farm families would be driven into the cities' breadlines if the farm price support programs were terminated.

Three of our major farm organizations, the National Farmers Union, the National Grange, and the National Association of Wheat Growers, are jointly working for enactment of a strong farm bill during this session of the Congress. They are for this bill.

It is true the wheat legislation being proposed may have been delayed too long by congressional inaction, but it is still a good program and should be passed.

The dairy farmers of Texas and throughout the United States need a program to stablize their industry and I favor a voluntary program similar to last year's feed grain program now being proposed in an amendment by Senator McCarthy. This amendment should also be included when we pass the farm bill.

Mr. President, I cannot overemphasize the importance of this body acting now to pass an effective farm bill. I am for H.R. 12391 and shall vote for its passage.

Mr. BENNETT. Mr. President, I indicated several weeks ago when the earlier agricultural legislation was under consideration by the Senate that I hoped that the Congress would move with a great deal of caution and that we not saddle farmers and ranchers with the so-called supply-management controls. A lot of water has gone over the dam since that time. The House in its wisdom has turned down the 1962 version of the Cochrane-Freeman supply-control scheme.

Again, I would suggest to my colleagues that we should move with a great deal of caution at this late date in dealing with this very important segment of our economy.

As I have indicated on previous occasions to the Senate, agriculture is one of the mainstays in the economy of the great State of Utah. The cash receipts from farm marketings last year amounted to an impressive $156,193,000. About $125 million of this income was from livestock and livestock products. The great bulk of our income from agriculture is from beef cattle, dairying, and production of lambs and wool.

The principal elements of the bill now under consideration deal with the two most vital segments of our agricultural economy; namely, livestock and livestock products, and wheat.

If I understand correctly, the administration has abandoned its supply-management, mandatory program for feed grains for 1963. I am happy that this decision has been made, because it is my opinion that the Congress is in no mood to inflict such drastic controls on the segment of the agricultural enterprise that accounts for about 56 percent of the total cash farm receipts.

If my information is correct, it seems to be the intention of the administration now to support a simple extension of the emergency feed grain program for 1963. This is the program that Mr. Freeman condemned so severely during the debate of this bill in the House.

One June 8, 1962, the Secretary of Agriculture sent a communication to every Member of the House wherein he pointed out on page 2 of a letter addressed to Congressman Harold D. Cooley, chairman of the House Agriculture Committee, that extension of the 1961–62 emergency programs would cost for feed grains $1,200 million and for wheat $1,217 million—a total of $2,417 million. I am a little surprised that in light of this statement and in light of the recent talk about a balanced budget that the Secretary of Agriculture would now suggest that the Senate of the United States adopt such an expensive program.

With regard to the cost of the emergency wheat program, I remember well the statement made by the chairman of the Senate Committee on Agriculture and Forestry, and I quote:

To authorize the temporary program for 2 more years would cost the taxpayers, according to the most recent estimate $333

million per year to reduce wheat production by about 100 million bushels. In other words, it would cost the Government $3.30 per bushel to curtail production of 100 million bushels of wheat per year.

According to the Commodity Credit Corporation's latest information, payments to farmers under the 1962 feed grain program will be about $114 million more than the $896 million paid in 1961. I would point out to my colleagues that this is slightly over a billion dollars that would be paid out on the 1962 feed grain crops. But, in spite of this vast expenditure of money, as of August 1, 1962, the estimate of production of feed grains is 139,506,000 tons as compared to 131,132,000 tons for the same date in 1961. This represents 106.4 percent of the August 1, 1961 figure. The August 1, 1962, total includes 3,549,633,000 bushels of corn for grain as compared with 3,352,037 bushels on the same date in 1961. For grain sorghum the figures indicate a production of 485,170,000 bushels for 1962 as compared with 454,564,000 bushels in 1961. The production of oats and barley are also increased above the 1961 figure.

The Department of Agriculture shows a slight reduction in the production of corn in 1962 as compared to 1961, but I would call attention to the fact that this is quite an unrealistic approach when we compare the August 1, 1962, estimate with the final estimate for 1961. It should be further noted that the August estimate in 1961 went up 13 percent from that date and the final estimate. If the same situation prevails in 1962—and there is every indication it will—then we could come up with a vastly increased corn production over 1961.

Turning now to wheat—which is a basic commodity in many sections of the country, including the great State of Utah—I would point out that even though we have a larger carryover of wheat than is desired and needed to meet our requirements, roughly 83 percent of this wheat is composed of the Hard Red Winter class. I ask consent to insert a table showing the wheat production carryover by classes, for the period 1957–61 and for the 1962 crop year. The types of wheat grown in Utah are, for the most part, not in oversupply. For example, the carryover for Soft Red Winter wheat was only 1.7 percent.

The Secretary of Agriculture has already announced a wheat referendum for August 30. This referendum is authorized by present permanent legislation, the Agricultural Act of 1938. In my estimation, it would be unwise for the Congress to enact any legislation at this late date that would change the plans of the Secretary of Agriculture for conducting his referendum. Mind you, it is scheduled for a week from Friday. I suggest that we allow this referendum to go foward as planned and that we take no action with regard to wheat for 1963, and that each of us go back to our respective States, and through the farm organizations, the wheatgrowers' associations, and individual wheat producers, try to ascertain the best possible solution to this problem and come back at the beginning of the 88th Congress and take a fresh start and a fresh look at this problem.

I would support a simple amendment to this bill which would authorize the Secretary of Agriculture to implement a voluntary wheat reduction program for 1963. By so doing, it would not interfere at all with the referendum procedure set up and would give those farmers who desire an opportunity to make reductions.

The so-called multiple-price plan for wheat, as embodied in title III–B of H.R. 12391, delegates tremendous authority to the Secretary of Agriculture. I believe that there are over 20 authorities granted by this title that would make the Secretary of Agriculture a virtual czar over wheat. I ask consent to insert in the RECORD a listing of these power grants to the Secretary. I recognize the need to place reasonable controls on the expenditure of Federal funds, but I become gravely concerned when I review the extraordinary discretionary powers this bill gives to the Secretary of Agriculture to issue regulations applicable to producers, processors, warehousemen, and exporters.

Recent revelations of scandal within the Department of Agriculture should serve as ample warning against the danger of placing additional bureaucratic powers in the hands of those who would control agriculture.

Last, but by no means least, I am concerned about the impact of this bill on the consumer. This complicated version of the multiple-price wheat plan imposes a bread tax on our domestic consumers. I ask consent to insert in the RECORD an editorial from the Modern Millers and Bakers Views expressing concern over the trend of events. By authorizing the inclusion of export wheat in the primary market it would further raise already high export costs. On the other hand, the blended pricing would subsidize the dumping of noncertificate wheat in the domestic feed market to the detriment of producers of feed grains, livestock, dairy, and poultry.

There is such a thing as too much theoretical dabbling with agricultural economic factors. In summary, this legislation hurts everyone: The poultry, dairy and livestock farmers in particular, and the consumers, and taxpayers in general, and that, my fellow colleagues, covers all of us. In my opinion no new legislation is preferable to this emergency bill.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from Utah?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

Wheat production, carryover, total supply, and percentages by class, 1957–61 averages, annual 1961–62

Class	Production				Carryover				Total supply			
	1957–61 average		1962 crop		1957–61 average		July 1, 1962		1957–61 average		Year 1961	
	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total
Hard Red Winter	687	56.1	755	61.1	863	74.3	1,120	83.3	1,550	64.7	1,864	70.3
Soft Red Winter	179	14.6	203	16.4	12	1.0	23	1.7	191	8.0	215	8.1
Hard Red Spring	171	14.0	116	9.4	221	19.0	176	13.1	400	16.7	359	13.5
White	161	13.1	142	11.5	49	4.2	25	1.8	210	8.8	180	6.8
Durum	27	2.2	19	1.6	17	1.5	1	.1	44	1.8	35	1.3
Total	1,225	100.0	1,235	100.0	1,162	100.0	1,345	100.0	2,395	100.0	2,653	100.0

Disposition of wheat by class, 1957–61 average, marketing year 1961–62

Class	1957–61 average						1961–62 average					
	Domestic		Exports		Total disappearance		Domestic		Exports		Total disappearance	
	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total	Million bushels	Percent of total
Hard Red Winter	256	42.8	336	61.3	592	51.7	262	44.1	482	67.6	744	56.9
Soft Red Winter	132	22.1	45	8.2	177	15.4	135	22.7	57	8.0	192	14.7
Hard Red Spring	141	23.6	42	7.7	183	16.0	140	23.5	43	6.0	183	14.0
White	45	7.5	120	21.9	165	14.4	40	6.7	115	16.1	155	11.8
Durum	24	4.0	5	.9	29	2.5	18	3.0	16	2.3	34	2.6
Total	598	100.0	548	100.0	1,146	100.0	595	100.0	713	100.0	1,308	100.0

TITLE III–B OF H.R. 12391 DELEGATES BROAD AUTHORITY TO SECRETARY

Major discretionary authorities are summarized below:

Authority to determine if referendum shall be for 1, 2, or 3 years.

Authority to determine size of national marketing quota (not less than 1 billion bushels) and to determine annual drawdown of stocks.

Authority to determine that allotment for any type of wheat in short supply shall be increased above allotment otherwise computed in amount determined by the Secretary.

Authority to exclude from program any State with less than 25,000 acres of allotment.

Authority to determine what may be planted on diverted acreage, the amount by which the diversion payment will be reduced if such crops are planted, and whether or not diverted acreage may be grazed.

Authority to determine the amount of payment for wheat diverted acreage (not more than 50 percent of the support rate on normal yield).

Authority to determine conservation uses which must be practiced on diverted acreage and to determine a conservation base on each farm which must be exceeded by acreage of wheat diverted and to adjust payment for failure to comply with conservation requirements.

Authority to determine if advance diversion payments shall be made (not to exceed 50 percent of total).

Authority to establish such terms and conditions not specified in law as Secretary deems "desirable to effectuate purposes" of conservation program.

Authority to determine how many the number of wheat-marketing certificates that shall be issued for food and export (export includes wheat disposed of under Public Law 480, including donations and sales for foreign currencies).

Authority to determine the value of wheat-marketing certificates.

Authority to issue regulations relating to transfer of wheat-marketing certificates.

Authority to determine under what circumstances wheat-marketing certificates shall be purchased by CCC from farmers.

Authority to determine if CCC should establish a pool for marketing certificates and to prescribe regulations relating thereto and the fees to be charged for handling marketing certificates.

Authority to establish conversion factors to determine amount of wheat in any food product.

Authority to "take such action as he determines to be necessary to facilitate the transition" to the new program.

Authority to exempt "all or a portion" of food products in process on effective date of new program or to sell owners thereof certificates at such prices as the Secretary may determine.

Authority to require processors, warehousemen, exporters, and others dealing with wheat certificates to "keep such records as the Secretary finds to be necessary."

Authority to require processors, warehousemen, exporters, and others dealing with wheat certificates to submit such reports as the Secretary finds necessary.

Authority to examine the books, papers, records, accounts, correspondence, contracts, documents, and memorandums as the Secretary finds necessary to ascertain the correctness of records and reports.

Authority to deny marketing certificates to any producer "in whole or in part, as the Secretary may determine" for any violation of the law or regulations, without judicial action.

Authority to "prescribe such regulations as may be necessary to carry out the provisions of this subtitle."

Authority to establish a level of price support for certificate wheat at any level between 65 and 90 percent of parity.

Authority to establish the level of price support for noncertificate wheat.

CONCLUSION

The Secretary of Agriculture would become the czar of the wheat industry, with extraordinary discretionary powers to issue regulations applicable to producers, processors, warehousemen, and exporters.

MODERN MILLER & BAKERS NEWS, JULY 7, 1962

(By C. M. Yeager)

Inasmuch as the people of the United States have traded so many of their rights for the security offered by socialization, it is no great surprise that they now find themselves victims of incompetent leadership, about which they can, momentarily, do absolutely nothing. Agriculture is in the most glorious state of snafu since the locusts of Biblical fame. The arbitrary dictum which foisted sedimentation on commercial wheat users was as irresponsible as it was idiotic. It has resulted in a state of confusion in which no one can see a satisfactory conclusion.

With the new loan basis which became effective July 1, the price of wheat automatically became enough higher to satisfy the objectives of Secretary Freeman, but it seems that those objectives are insatiable. It was an insult to reason to add a bonus via the sedimentation test, adding exorbitant premiums to an already exorbitant base price. A selling point for sedimentation was that it would establish a better quality evaluation for foreign buyers. We have a Government team abroad now "explaining" sedimentation and this team is getting a big horse laugh. In fact, foreign colossal nonsense. Maybe they still carry the illusion that we can do anything about it. Maybe they don't know that we have sacrificed the right to do anything about it.

Be that as it may, millers and bakers are in a situation where intelligent action in either wheat or flour buying is impossible. At present, opinion is that the less one does, the more likely he will be to minimize costly mistakes. The amount of wheat millers have accumulated is a drop in the bucket compared with their usual holdings at this point in the harvest. Sheer necessity compels them to buy some to fill the immediate needs of their customers, but they dare not amass wheat when bakers are not resigned to pay the price for flour which wheat costs impel. So wheat that millers and grain men would customarily own is going into the Government vaults, where ordinary wheat assumes blue-chip value.

Thus two separate and distinct markets are created. One, the commercial market, is based on protein values and farinograph curves that reflect baking value. This is a limited market, where the buyer is trying to get something for his money even if he has to pay unrealistic premiums. The other is a Government market which takes anything with the taxpayers' money. It's rough competition.

It seems likely that flour buying will undergo a radical change. Bakers are altogether unwilling to commit themselves to long-term purchases wherein they see no possible advantage. There is the possibility, suspected by many, but so far unproved, that sedimentation values decline in storage, whereas protein remains unchanged. If this be so, maybe some of the artificial premiums on wheat will vanish. At this point, one must conjure with rust damage, an unknown quantity in the spring wheat crop, though it looks good now, adverse legislation, possible less world demand for American wheat.

All these make flour buying a wide-open matter of guesswork or speculation in which individual opinions will express themselves through the coming months. The great mass buying movements of recent years are less likely to occur under such adverse circumstances. At any rate, nothing can forestall much higher flour prices nor stay the inevitable increase in the price of bread.

EXTENSION OF AUTHORITY TO INSURE MORTGAGES UNDER SECTIONS 809 AND 810 OF NATIONAL HOUSING ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2876) to extend the authority to insure mortgages under sections 809 and 810 of the National Housing Act, and to extend the coverage of section 810 to include persons employed at or in connection with an installation of the National Aeronautics and Space Administration or the Atomic Energy Commission, which were, to strike out all after the enacting clause and insert:

That the last proviso in section 803(a) of the National Housing Act is amended—

(1) by striking out "under this title" and inserting in lieu thereof "under this section"; and

(2) by striking out "under section 803 of this title" and inserting in lieu thereof "under this section".

SEC. 2. Section 809(f) of the National Housing Act is amended by striking out "and the expiration date of the Commissioner's authority to insure", and by adding at the end thereof the following new sentence: "No more mortgages shall be insured under this section after October 1, 1963, except pursuant to a commitment to insure before such date."

SEC. 3. Section 810(k) of the National Housing Act is amended by striking out "and the expiration date of the Commissioner's authority to insure", and by adding at the end thereof the following new sentence: "No more mortgages shall be insured under this section after October 1, 1963, except pursuant to a commitment to insure before such date."

And to amend the title so as to read: "An Act to extend for one year the authority to insure mortgages under sections 809 and 810 of the National Housing Act."

Mr. SPARKMAN. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. WILLIAMS of New Jersey, by unanimous consent, introduced a bill (S. 3662) to authorize improvements for the prevention of beach erosion and hurricane damages along the south shore of Raritan Bay and Sandy Hook Bay, N.J., which was read twice by its title, and referred to the Committee on Public Works.

DRUG INDUSTRY ANTITRUST ACT—AMENDMENT

Mr. KEFAUVER (for himself, Mr. DODD, and Mr. HART), submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF UNITED STATES CODE, TO PROVIDE INCREASES IN RATES OF DISABILITY COMPENSATION—AMENDMENT

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to the bill (H.R. 10743) to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes, which was ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL 11 O'CLOCK A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 50 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Wednesday, August 22, 1962, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, August 21, 1962:

U.S. ADVISORY COMMISSION ON INFORMATION

John L. Seigenthaler, of Tennessee, to be a member of the U.S. Advisory Commission on Information for the remainder of the term expiring January 27, 1964, and until his successor has been appointed and qualified, vice Jonathan W. Daniels, resigned.

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Givon Parsons, of Texas.
B. Winfred Ruffner, of Tennessee.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Arthur A. Compton, of Michigan.
Richard H. Courtenaye, of California.
Miss Eileen R. Donovan, of Massachusetts.
Terrance G. Leonhardy, of North Dakota.
James H. McFarland, Jr., of Michigan.

Miss Edna H. Barr, of Ohio, for reappointment in the Foreign Service as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America, in accordance with the provisions of section 520(a) of the Foreign Service Act of 1946, as amended.

The following-named Foreign Service officers for promotion from class 8 to class 7:

Francesco J. Alberti, Jr., of California.
Charles E. Angevine, of Colorado.
Merle E. Arp, of Iowa.
Thomas F. Barthelemy, of Ohio.
Lyndall G. Beamer, of Illinois.
J. Peter Becker, of Pennsylvania.
Miss Margaret E. Beshore, of Indiana.
Harry R. Bieling, Jr., of New York.
James K. Bishop, Jr., of New York.
William D. Boggs, of West Virginia.
John A. Boyle, of New York.
Alfred P. Brainard, of Washington.
Joseph R. Breton, of Massachusetts.
Gordon S. Brown, of California.
James A. Budeit, of Nebraska.
Moises L. Cantolla, of California.
Robert C. Cary, of Washington.
Louis N. Cavanaugh, Jr., of Pennsylvania.
Glenn Richard Cella, of New York.
Timothy W. Childs, of Connecticut.
William P. Clappin, of Virginia.
Hovey C. Clark, of New Jersey.
Carl John Clement, of Minnesota.
Harry L. Coburn, of New York.
John Albert Collins, of New York.
Thomas C. Colwell, of California.
Gordon A. Cornell, of Massachusetts.
Edwin G. Corr, of Oklahoma.
Anthony S. Dalsimer, of New York.
Ernest B. Dane III, of Massachusetts.
John S. Davison, of Michigan.
R. Robin DeLaBarre, of the District of Columbia.
John W. DeWitt, of Pennsylvania.
V. Raymond Dickey, of South Dakota.
David H. Dinwoodie, of Colorado.
Richard J. Dols, of Minnesota.
Felix Dorough, of Alabama.
William J. Duiker III, of the District of Columbia.
William H. Edgar, of the District of Columbia.
David K. Edminster, of the District of Columbia.
Emil P. Ericksen, of California.
Robert E. Ezzell, of California.
James Ferrer, Jr., of California.
Robert M. Fouché, of South Carolina.
Anthony C. Freeman, of New Jersey.
Miss Marlene W. Futterman, of New York.
Gregory Gay, of Ohio.
Gerald D. Gilbertson, of California.
Philip C. Gill, of California.
Ernest Thomas Greene, of New Hampshire.
Robert V. D. Griffin, of California.
J. Guy Gwynne, of Arkansas.
Miss Lois Hasse, of Missouri.
James T. Hackett, of California.
Samuel J. Hamrick, Jr., of Kentucky.
Donald F. Hart, of Massachusetts.
Pierre M. Hartman, of Colorado.
Martin G. Heflin, of Florida.
Frank G. Helman, of Pennsylvania.
Charles Higginson, of Massachusetts.
Richard Hines, of New York.
Herbert A. Hoffman, of Pennsylvania.
James F. Hughes III, of New York.
Mrs. Sandra A. Humphrey, of New Jersey.
L. Richard Jackson, of Missouri.
William Harding Jackson, Jr., of Virginia.
Jay K. Katzen, of New York.
George Lockwood Kelly, of Georgia.
Harmon E. Kirby, of Ohio.
Anthony S. Kochanek, Jr., of New Jersey.
Thor H. Kuniholm, of the District of Columbia.
Walter J. Landry, of Louisiana.
James O. Langland, of Iowa.
Donald R. Lesh, of Massachusetts.
Paul A. London, of New York.
Howard C. Loper, of Pennsylvania.
Matthew T. Lorimer, of New Hampshire.
George E. Lowe, of Illinois.
Hallock R. Lucius, of Montana.
Robert S. McClellan, of New York.
William J. McDonough, of Illinois.
John J. MacDougall, of Massachusetts.
Donald M. Maclay, of Pennsylvania.
Edward A. Mainland, of California.
Thomas W. Mapp, of California.
William H. Marsh, of Pennsylvania.
Jim B. Marshall, of Tennessee.
Robert A. Martin, of Pennsylvania.
Harlan G. Moen, of Wisconsin.
Gerald Joseph Monroe, of New Mexico.
John B. Moody, of Georgia.
James H. Moss, of the District of Columbia.
Gerald H. Murphy, of New York.
William V. P. Newlin, of Pennsylvania.
Thomas J. O'Donnell, of Michigan.
Donathon C. Olliff, of Alabama.
Robert O'Neil, of Virginia.
Robert H. Pelletreau, Jr., of New York.
John D. Perkins, of Indiana.
Donald K. Petterson, of California.
Miss Anne Pinkney, of California.
Lutz Alexander Prager, of Maryland.
Henry Precht, of Virginia.
Robert L. Pugh, of Washington.
Miss Virginia Randolph, of Pennsylvania.
Alexander L. Rattray, of California.
Leo J. Reddy, of Maryland.
Robert G. Richmond, of New Hampshire.
Thomas J. Roesch, of Ohio.
Irving L. Sanders, of Washington.
Richard C. Schenck, of New York.
Carl W. Schmidt, of New Jersey.
Louis Schwartz, Jr., of Illinois.
Richard C. Scissors, of Missouri.
Norman T. Shaft, of Minnesota.
John C. Shea, of Pennsylvania.
Harrison B. Sherwood, of Minnesota.
William T. Shinn, Jr., of Minnesota.
John P. Sifling, of Ohio.
Henry Jacob Silverman, of New Jersey.
Richard J. Smith, of Connecitcut.
Robert R. Strand, of Ohio.
William O. Sugg III, of Tennessee.
Peter A. Sutherland, of Massachusetts.
Garett Gordon Sweany, of Washington.
Rush W. Taylor, Jr., of Texas.
Elroy Thiel, of Wisconsin.
Charles H. Thomas II, of New Hampshire.
Samuel B. Thomsen, of California.
Ralph G. Thorslund, of Florida.
Thomas M. Tracy, of Massachusetts.
Mrs. Joan L. Ward, of Ohio.
John William Warnock, Jr., of Ohio.
Keith W. Wheelock, of Maryland.
Theodore S. Wilkinson III, of the District of Columbia.
H. L. Dufour Woolfley, of Louisiana.
Warren Zimmermann, of the District of Columbia.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Jack R. Binns, of Washington.
John S. Brims, of New Jersey.
Richard P. Draves, of New York.
Irving Lewis Fuller, Jr., of Virginia.
Marshall J. Jeannero, of Massachusetts.
Allan M. Parrent, of Kentucky.
David E. Zweifel, of Colorado.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Adrian Anthony Basora, of the Commonwealth of Puerto Rico.
Richard W. Bogosian, of Massachusetts.
John Franklin Campbell, of California.
Daniel H. Clare III, of the District of Columbia.
Clarke N. Ellis, of California.
Donald C. Ellson, of Indiana.
William A. Garland, of Maryland.
Donald Furse Herr, of Ohio.
Richard Holbrooke, of New York.
Robert Onan Homme, of Minnesota.
Robert G. Houdek, of Illinois.
William A. K. Lake, of Connecticut.
Vladimir Lehovich, of New York.
William Harold Levit, Jr., of California.
David E. Long, of Florida.
Joseph Charles Luman, of Pennsylvania.
George R. Martens, of New York.
James Richard Matz, of Texas.
George E. Mercer, of Michigan.
Bradford William Miller, Jr., of New York.
Ronald Peter Myers, of Michigan.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 23, 1962
For actions of August 22, 1962
87th-2d, No. 149

CONTENTS

Agricultural appropriations.....2	Foreign agriculture.....8	Monopolies.....4
Appropriations.....2	Foreign aid.....9	Recreation.....14
Conservation.....14	Foreign trade.....7	Research.....9,11
Data processing.....12	Health.....6	Roads.....13
Drugs.....4	Information.....16	Trade fairs.....5
Farm program.....1	Lands.....5	Vaccinations.....6
Feed grains.....17	Milk contamination.....3	Watersheds.....10
	Minerals.....5	Wildlife.....15

HIGHLIGHTS: Senate passed farm bill. Senate committee reported agricultural appropriation bill. Sen. Humphrey expressed concern over possible contamination of milk by radioactive fallout. Sen. Long, Mo., introduced and discussed bill to validate certain erroneous payments to participants in emergency wheat and feed grain program. Sen. Williams, N.J., inserted article commending advance in conservation programs.

SENATE

1. FARM PROGRAM. By a vote of 47 to 37, passed with amendments H. R. 12391, the farm bill (pp. 16211-25, 16240). Conferees were appointed (p. 16225).

2. AGRICULTURAL APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12648 (S. Rept. 1908)(p. 16190). Attached to this Digest is a copy of the committee report, which explains the committee actions.

3. MILK. Sen. Humphrey referred to "the tragic fact that in my State of Minnesota the public health department has had to serve notice that milk is today in danger of being contaminated by iodine 131," urged a cessation of nuclear weapons testing, and inserted his correspondence with the director of the U. S. Arms Control and Disarmament Agency concerning the situation. pp. 16194-6

4. DRUGS; MONOPOLIES. Began debate on S. 1552, to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs (pp. 16225-32, 16236, 16241). The Judiciary Committee reported additional amendments to the bill earlier in the day (S. Rept. 1744, part 2)(p. 16189).

5. MINERALS. The Subcommittee on Minerals, Materials, and Fuels of the Interior and Insular Affairs Committee approved for full committee consideration the following bills: S. 1696, with amendment, to authorize the Secretary of the Interior to conduct a survey of federally owned lands for the purpose of locating strategic minerals; S. J. Res. 136, with amendment, to determine the susceptibility of minerals to electrometallurgical processes; H. R. 9280, to authorize the Secretary of the Interior to dispose of surface resources by negotiation, rather than by competitive bid, when in the best interests of the Government; and H. R. 10540, to exclude deposits of petrified wood from appropriation under U. S. mining laws. p. D756

6. HEALTH; VACCINATIONS. The Labor and Public Welfare Committee reported without amendment H. R. 10541, the proposed Vaccination Assistance Act of 1962 (S.Rept. 1907). p. 16190

7. FOREIGN TRADE. Sen. Morse announced he had sent each Senator an invitation to attend a briefing next Tuesday on the foreign trade bill by Peter Jones, Deputy Assistant Secretary of Commerce. p. 16193

8. FOREIGN AGRICULTURE. Sen. Proxmire inserted an article on agricultural conditions in Yugoslavia, "Yugoslavs Seek to Improve Farming Efficiency." pp. 16240-1

9. FOREIGN AID. Sen. Humphrey inserted an article discussing the research program of the Agency for International Development to aid the economic development of under-developed countries, including agricultural conditions. pp. 16197-8
Sen. Humphrey inserted a businessman's address on the responsibilities of private industry in assisting the economic development of under-developed countries, including agricultural conditions. pp. 16193-4

10. WATERSHEDS. The Public Works Committee approved the following watershed projects: Twin Caney, Kans.; Brandywine Creek, Pa. and Del.; Salado Creek, Tex.; Valley Creek, Tex.; and Sandy Creek, Pa. p. D756

11. RESEARCH. Received from Commerce a report on Scientific research grants for fiscal year 1962. p. 16190

12. DATA PROCESSING. Received from GAO a report on the review of planning for automatic data processing equipment, Wash., D. C., regional office, GSA. p. 16190

13. ROADS. Received from GAO a report on the review of apportionments of Federal-aid highway funds, Bureau of Public Roads, Department of Commerce, for fiscal years 1956-63. p. 16190

ITEMS IN APPENDIX

14. CONSERVATION; RECREATION. Extension of remarks of Sen. Williams, N. J., inserting an article describing the status of pending legislation in the conservation field, "Conservation Programs Advance." pp. A6348-9

15. WILDLIFE. Extension of remarks of Sen. Williams, N. J., inserting an article, "Wildlife's Tenure Precarious." p. A6352

16. INFORMATION. Extension of remarks of Rep. Rhodes inserting an article, "Paper Curtain," which states that "...increasingly the Government has been working to stem the availability of news and information by placing copyright restrictions on the contents of its publications and documents." p. A6352

We on this side of the aisle are more than fortunate to have as our leader the able junior Senator from Illinois, whose devotion to the chores we have thrust upon him is matched only by the skill and ability he displays in seeing that a difficult task is accomplished efficiently and expeditiously.

I know that the admiration that we on this side of the Chamber have for EVERETT DIRKSEN is shared by those Senators who may differ with us politically. We admire him as a courageous fighter for those principles which he knows are in the best interests of his State and Nation, but most of all we cherish the friendship of this great American.

Mr. BUSH. Mr. President, I yield to the Senator from Oklahoma [Mr. KERR] without my losing the floor.

Mr. KERR. Mr. President, I am delighted to join in the tributes to our distinguished minority leader and add my word of commendation, respect, and affection for a man whom I regard as a great patriot, a great statesman, a great Senator, and a man of courage, whose word is good, and who is greatly esteemed by all who know him, including the Senator from Oklahoma.

Mr. BUSH. Mr. President, I yield to the Sentor from Utah [Mr. BENNETT] without my losing the floor.

Mr. BENNETT. Mr. President, each of Senator DIRKSEN's colleagues has a personal and individual acquaintanceship and experience and appraisal of the man, particularly a friendship which is individual and unique.

The Senator from Utah has always considered it a privilege and a blessing that during the years since the two of us came to the Senate—and we came on the same day—we have lived in the same apartment building, which has brought us physically close to each other.

The Senator from Utah has another unusual background for his relationship to the Senator from Illinois which he has never put into words until now. As the leader of the Republicans in the Senate, Senator DIRKSEN may be assumed to project a kind of father image to the rest of us. I say to him now that, so far as I am personally concerned, this fact has always intrigued me because he looks very much like my own father. He has the same kind of curly hair and the same kind of helpful attitude.

I know of no better tribute that I can pay to my friend than to direct attention to the great facility he has with the Scriptures, his ability to quote the apt Scripture on a particular occasion, his ability to use Scripture for a telling purpose.

I hope I may be pardoned if today I try to summarize my feelings of the contributions that Senator DIRKSEN has made to us, and my feeling of the measure of the man as the Republican leader, in the words of the Master, who described the ideal leadership. Senators may remember those words. I am now reading:

> There came to Him the mother of Zebedee's children with her sons, worshiping Him, and desiring a certain thing of Him.
>
> And He said unto her, What wilt thou? She saith unto Him, grant that these my two sons may sit, the one on Thy right hand, and the other on the left, in Thy kingdom. * * *
>
> And when the 10 heard it, they were moved with indignation against the 2 brethren.
>
> But Jesus called them unto Him, and said, Ye know that the princes of the gentiles exercise dominion over them, and they that are great exercise authority upon them.
>
> But it shall not be so among you: but whosoever will be great among you, let him be your minister;
>
> And whosoever will be chief among you, let him be your servant.

I think in his service as leader of our party in the Senate Senator DIRKSEN has beautifully demonstrated his understanding of and devotion to that paradoxical principle set forth in this ideal definition of great leadership.

Mr. BUSH. Mr. President, I am about to yield the floor. We have had a most happy interlude. Seldom does a man find out during his lifetime how much his friends, associates, and colleagues think of him. I am sure that in this 28th year of service of the Senator from Illinois in Congress he must feel gratified to sense the confidence as well as the affection and admiration which all of us have for him.

Mr. President, I yield the floor.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. Mr. President, I understand that under the unanimous-consent agreement the Senate will vote at 2 o'clock on the passage of the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I ask the attention for a moment of the distinguished minority leader, whom we have serenaded for some time—and rightly so. I understand that on this side of the aisle and on the Republican side of the aisle there was a desire on the part of certain Senators to speak on the farm bill.

After consulting with the minority leader, I find it would be advantageous and desirable if the time for the vote could be extended a few minutes in order to accommodate certain Senators who have statements they wish to make on the farm bill.

I ask unanimous consent that the hour for voting be changed from 2 to 2:15 p.m. I hope there will be no objection. Does that request meet with the approval of the minority leader?

Mr. DIRKSEN. That is agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the necessity for a quorum call be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senate is now operating on the time which will be equally divided, and we shall make whatever concessions of time as are necessary in order to accommodate Senators.

Mr. KERR. Mr. President, is the Senate now on limited time?

Mr. HUMPHREY. Yes, we are.

Mr. KERR. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield in the majority leader's time to the Senator from Oklahoma.

The PRESIDING OFFICER. If the available time is to be equally divided, there will be 21 minutes available on each side.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, efforts to secure better farm price support legislation during this session of Congress have encountered many difficulties. Different and at times contradictory positions of the various farm organizations have been confusing to say the least, and especially to those who are not close to actual farm thinking. Adding to the problems of farm legislation was the delay of a month or more caused by the filibuster on the communications satellite legislation.

Vicious and inaccurate attacks on farm programs have had an adverse effect on public opinion as well as Members of Congress. I regret to say that each year there are fewer and fewer Members of Congress, who believe in price supports. If this trend continues, price supports—which are practically the only protection against disastrously low farm prices—could well be reduced to completely ineffective levels or abolished completely.

The trend so far as every other segment of our economy is concerned, is directly opposite. Subsidies and many other forms of assistance and protection are being added for labor and industry each year. I think I speak for almost every farmer, when I say that farmers would be willing to go it alone if every other segment of our economy were willing to do the same.

The final vote on this farm bill will soon be taken. Unfortunately, I have not been able to take part in much of the debate on this farm bill. At exactly the same time that the farm bill was being discussed and considered on the Senate floor, the Subcommittee on Agriculture Appropriations was meeting to mark up, or take final action, on the agriculture appropriations bill.

Since I am the ranking Republican on this committee, I felt it more necessary that I attend these important meetings than to take part in the debate on this bill.

The choice on final passage of this agriculture bill is not a happy one. There are many good provisions in it, and many undesirable ones. I particu-

larly regret that the provisions of the feed grain price support section are such that farmers could well find themselves with extremely low price supports for feed grains in 1964. There is every possibility that this situation can and will be corrected when the Senate-House conference committee meets to iron out the differences between this bill and the bill passed by the House. I expect to be a member of this conference committee.

I am not at all pleased with the wheat section of the bill which embodies the provisions of the wheat certificate plan. A more simple two-price system—such as that advocated by the Grange for many years; by that fine Congressman and great friend of farmers, former Congressman Clifford Hope, of Kansas; by another distinguished friend, the Senator from Kansas [Mr. CARLSON], and by me—would be much better. I am in hopes that the wheat certificate plan, too, can be improved in conference with the House.

The wheat certificate plan provides for continued production controls. One of the objections often raised to it is that it requires—as does the present law—that the same acreage reduction be applied to every kind of wheat in every area of the United States. It would be far better if a higher percentage cut in acreage were applied to the kinds of wheat in greatest surplus.

This disadvantage is offset to a considerable degree by a provision I was able to place in this bill permitting the Secretary of Agriculture to increase the acreage of any kind of wheat in short supply. Legislation with similar provisions has worked well for Durum wheat in my State for 4 different years since 1955. An increase in Durum wheat acreage has been permitted because it was in very short supply. I have every reason to believe that these provisions that have worked so well for Durum wheat can be applied just as effectively to any other kind of wheat which may be in short supply.

With all of the shortcomings of the wheat certificate plan, it is certainly far better than nothing at all or most alternative proposals. Farmers would indeed be better off with no program at all than some of the proposals being made in Congress for extremely low price supports coupled with massive land retirement programs. Such proposals are not acceptable to the vast majority of farmers nor to the millions of people in the small towns and cities who are closely associated with the farmers by providing vital services to them.

The Committee for Economic Development, in its recent report, made some startling disclosures regarding the effects of their proposal. The CED's proposal is the same as some others floating around Congress. It would gradually abolish price supports and have the Federal Government embark upon a huge land retirement program. The CED was frank to admit that under its program practically one-third of the farmers would have to leave their farms and seek jobs in the big cities of this Nation—many of which are already troubled with unemployment.

The CED program, as well as other similar ones for which bills have been introduced in Congress, would deal a tragic blow to rural America.

I hope and pray that the time is not far off when the leaders of this Nation will seek true and accurate information regarding the serious problems farmers are facing and the solutions that are necessary, rather than to listen to often phony and self-proclaimed authorities on agriculture.

A prosperous and solvent agriculture is as vital to the overall economy of this Nation now as it has been in years past.

Mr. President, I am going to vote for this bill. It is not a happy choice but it is far better than a negative vote. Believing as I do that without farm price supports we would have a bankrupt agriculture, and believing as I do that there is still some hope of writing a better bill in the House-Senate conference committee, I am going to vote "aye" to send this bill to conference.

Mr. MUNDT. Mr. President, I yield to the Senator from Iowa.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from Iowa is recognized.

Mr. HICKENLOOPER. Mr. President, yesterday I spoke at great length on the farm bill. The speech is carried in the RECORD of yesterday. I merely wish to say now that I cannot under any circumstances vote for the bill as it stands now and as it will come up for final passage, for several reasons.

First, in the provisions of this bill there is completely destroyed the corn program in this country. As was pointed out yesterday so eloquently by several Members of the Senate, the so-called Benson proposal of some years ago, which was objected to so strenuously, of giving the Secretary discretion for setting support prices between 0 and 90 percent, as was said yesterday, has completely out-Bensoned Benson. In addition to including the provision that the support prices on corn shall be from 0 to 90 percent in the discretion of the Secretary, the framers of the bill went further and provide that he cannot use support prices on corn if by so doing it will add anything to the accumulated CCC crops. That inevitably means no support price on corn. It destroys the corn program. We in the corn and feed grain area simply cannot stand for that kind of program. I do not see how we can possibly support the certificate plan for wheat, which is contained in the bill, because it will inevitably result in the dumping of surplus wheat on the market in competition with feed grains at whatever the market will be. That will have a devastating effect on prices and will drive them all down in the feed grain area.

I will not dwell at length on the effect on the livestock market, because everyone knows that as the price of feed and feed grain goes down so does the livestock market. Therefore, the effect of the bill will be devastating upon the livestock producer who depends upon feed grains for his prosperity.

One last thing, Mr. President. There is no question in my mind that one of the major objectives behind the provisions that now exist in the bill will be to place the agricultural economy of this country in such a state of devastation that farmers in desperation will be forced to accept the Kennedy-Freeman-Cochrane control system on agriculture, which starts out with acreage allocations and marketing quotas and price distribution, and everything else in the hands of the Secretary of Agriculture. The freedom of American agriculture will be lost if that occurs. If this bill as it is written today goes into effect, it will have the tendency to force farmers, in desperation, into the controlled program, because there will be no alternative for them. Therefore, I cannot under any circumstances support the bill with my vote, coming as I do from one of the greatest agricultural areas in the world.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from South Dakota.

Mr. MUNDT. I wonder whether the distinguished chairman of the Committee on Agriculture and Forestry would yield to me some extra time, even though I am on the opposite side.

Mr. ELLENDER. I yield 3 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 13 minutes.

Mr MUNDT. Mr. President, I should like to review if I may, in this time allotted to me, the reasons why I believe Senators should vote against the agricultural bill on which the yeas and nays will soon be taken. As one who has normally supported farm bills when they have come before the Senate, and who is predisposed, of course, representing a great agricultural State—one which has been called frequently the most agricultural State in the Union—to vote for such farm bills, I would do so if I thought it would be beneficial to the farmers of America.

Therefore I should like to summarize what I have to say, by first, emphasizing what was just pointed out so well by the Senator from Iowa [Mr. HICKENLOOPER] that the corn section as presently written, with the Ellender amendment, makes this an impossible bill as far as the farm economy of a State like South Dakota or Iowa is concerned. South Dakota as do many other States depends in large measure on corn and feed grain and livestock for its income. It would be bad enough if it were simply a 0 to 90 percent flexible price program which the bill now contains, such as was advocated by Secretary Ezra Taft Benson and President Eisenhower. Mr. Benson advocated it with futility. However, finally he sold it to enough members of the Democratic party so that yesterday by a yea-and-nay vote the Senate adopted that program. As I say, it would be bad enough if the Benson concept of flexible price supports had been adopted, but when the framers of the bill tied to it the mandate to the Secretary of Agriculture that he could

provide no price support for corn at all if the level of such price support was sufficient to attract a single bushel of corn into the Commodity Credit Corporation, it practically abolishes the price supports for corn.

When we abolish price supports, or set them at a pauperizing level—because it is written into the act that price supports for feed grains are to be related to price supports for corn and price supports for corn in turn are to be related solely to CCC stocks of surplus corn—we automatically drag down price supports for all the feed grains that are raised.

What impact will that have on a corn farmer in South Dakota, Iowa, or Wisconsin—where the distinguished Senator now presiding lives—or in any other corn or feed grains State? It means that a farmer who raises corn cannot sell it in the cash market without going broke. However, he has all that corn. So he starts accumulating hogs and cattle and livestock, so that he can sell the corn on the hoof, by feeding it to the livestock. In that way there is created a surplus of livestock in America, which in turn forces down livestock prices in every State, thus creating an insistence on the part of people who will then be injured economically to provide some kind of price control for livestock.

So by the chain reaction of this successful attempt to out-Benson Benson with a flexible price support, firmly tied to the CCC supplies of corn, forcing price supports for corn virtually down to 0, we create chaos out in the farm area where we depend upon the combination of corn, feed grains, and livestock to produce a profit for the family farmer.

In addition to that, it seems to me this bill will perpetuate the surplus problem, because this means that CCC stocks are going to be perpetuated, because they will not find an outlet in the open market. There will also be no restrictions on the amount of new corn to be produced and no inducements to retire corn acres. They have fixed the sales price of all corn at a price so high that the cash price of corn may not possibly rise high enough so that the Government can dispose of its CCC stocks.

I like some sections of the bill. I believe that title V is exceedingly good, because it provides at long last for industrial uses for farm products, and sets up the mechanism to do that. This is a section added to the bill by my amendment in committee. Unhappily I will have to vote against that section, too, when I vote against the rest of the bill. I do so with some degree of relief, however, because we will vote later this week or next week on the agricultural appropriation bill, in connection with which, in cooperation with the distinguished chairman of the subcommittee, the Senator from Georgia [Mr. RUSSELL], and the Senator from North Dakota [Mr. YOUNG], I offered an amendment which was unanimously adopted by the subcommittee to provide $25 million in cash to start a crash program of industrial uses for agricultural products. Therefore, even though this legislative bill should die, and I hope it will, unless it is greatly amended in conference, we will be on our way with a program for industrial uses for farm products.

Now as to the wheat section. If nothing else were changed in the bill from the way in which it left our committee, I think I could compel myself to vote for the wheat section, despite the fact that my amendment to offer a free choice to the wheat farmers was defeated. We have a program here which is a CCC program for wheat. It is controversial. It is complicated and it is confusing. The wheat farmers of America do not clearly understand its impact, and most of the members of the committee clearly also do not understand its impact upon the mechanism.

So I thought it would be well to have a free choice referendum, explain the facts to the wheat farmers, and let them decide between the two programs.

What will they now confront when they vote in a referendum on a so-called multiprice program? They will have the alternative of taking that program or living without a wheat program at all, because even when the Cooper amendment was adopted, it provides only a 50-percent price support, and no farmer can succeed with a 50-percent price support for wheat.

I submit it will be a sorry day for agriculture if the Senate approves this bill. It will force the farmers of America to confront the unhappy prospect next year of voting for a compulsory program of marketing agreements and production controls—the so-called Freeman-Cochrane-Kennedy compulsory farm program as an alternative to disaster. Whether or not they will select freedom with economic disaster next year, or the Freeman-Cochrane-Kennedy compulsory program with a loss of freedom on the farm, nobody knows. The bill now before us offers the farmer no more attractive alternatives.

In doing this, it seems to me we are striking against the whole price support concept if we pass this bill. It will not be very long before the same group will be back, trying to destroy price supports for wheat, trying to destroy the price support mechanism which is working satisfactorily for our southern friends, with their southern crops of rice, peanuts, cotton, and tobacco, because this country will not remain half supported and half unsupported; half of it having a farm support mechanism that works, and half of it having a farm program that destroys agriculture. I think our southern friends are flirting with disaster if they believe they can long continue to have a satisfactory price support program for their southern crops, while supporting the proposed program which will destroy the prices of crops and downgrade the incomes of farmers and ranchers in the North and the Northwest.

In addition to embracing the Benson flexible price support program by voting "aye" on the pending farm bill, the Senate would be placing a stamp of approval on a horrible program called an adaptive program for agriculture. which was issued last month by the Committee for Economic Development. Persons who are actually farmers have universally condemned this proposal. It proposes precisely what has been presented to us in the form of the Ellender amendment's price supports for corn and feed grains. I read from page 44 of that CED report:

> For several reasons it is important that price supports be moved to levels that, if wrong, will be low rather than high.

It is indeed significant that the Committee for Economic Development recommends that if mistakes are to be made they shall be paid for out of the income of the farmers.

As I tried to learn who is behind this report, I began to realize that it contains a direct, frontal attack upon the farmer. Let me state some of the names of the so-called agricultural experts who wrote the report. Among them are our former colleague from Connecticut, Bill Benton, chairman of the board of Encyclopaedia Britannica, a man having no farm background; James B. Conant, former president of Harvard University; Philip L. Graham, president of the Washington Post Co.; Paul Hoffman, head of the Fund for the Republic; Eric Johnston, president of the Motion Picture Association of America; David Lilienthal, chairman of the board of Development and Resources Corp.; Stanley Marcus, president of the Neiman-Marcus Co., whose experience with agriculture has been that his store has provided a number of suits for Agricultural Department friends of Billie Sol Estes; Ed Pauley, chairman and president of Pauley Petroleum Co.; Harry Scherman, chairman of the board of Book of the Month Club—what a farm expert he has turned out to be; James M. Symes, chairman of the board of the Pennsylvania Railroad, a railroad which does not even run through the Farm Belt; it runs through the eastern section of the country.

The list also includes Theodore O. Yntema, chairman of the finance committee of the Ford Motor Co. I suppose he may know something about Ford motor cars and export policies, but he knows very little about the agricultural problems confronting the farmers of America. I suspect his knowledge about building a good farm program is no more and no less than the knowledge the average farmer has on how to build a Ford automobile.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the entire list of the board of trustees of the Committee for Economic Development on the subject of the reduction of price supports for farmers, because this committee of city advisers wants to force the grain price and the wheat price and all support prices down to the barest minimum.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

BOARD OF TRUSTEES OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT

CHAIRMAN

Theodore V. Houser, director, Sears, Roebuck & Co.

VICE CHAIRMEN

Marion B. Folsom, Eastman Kodak Co.
Frederick R. Kappel, chairman, American Telephone & Telegraph Co.
Fred Lazarus, Jr., chairman of board, Federated Department Stores, Inc.
Philip D. Reed, New York, N.Y.
William C. Stolk, chairman, American Can Co.
Frazar B. Wilde, chairman of board, Connecticut Life Insurance Co.

TREASURER

Thomas Roy Jones, vice chairman, Schlumberger, Ltd.

MEMBERS

F. W. Ackerman, chairman, the Greyhound Corp.
Carl E. Allen, vice president, General Motors Corp.
James L. Allen, senior partner and chairman, executive committee, Booz, Allen & Hamilton.
Frank Altschul, New York, N.Y.
O. Kelley Anderson, president, New England Mutual Life Insurance Co.
Robert B. Anderson, partner, Carl M. Loeb, Rhoades & Co.
George S. Armstrong, chairman, George S. Armstrong & Co., Inc.
Lloyd L. Austin, chairman, Security First National Bank.
Jervis J. Babb, New York, N.Y.
John A. Barr, chairman of board, Montgomery Ward & Co.
S. D. Bechtel, chairman of board, Bechtel Corp.
William S. Beinecke, president, the Sperry & Hutchinson Co.
S. Clark Beise, president, Bank of America.
Elliott V. Bell, chairman, executive committee, McGraw-Hill Publishing Co., Inc.
William Benton, chairman of board, Encyclopaedia Britannica, Inc.
John D. Biggers, chairman, finance committee, Libbey-Owens-Ford Glass Co.
Sarah G. Blanding, president, Vassar College.
Joseph L. Block, chairman of board, Inland Steel Co.
Roger M. Blough, chairman of board, United States Steel Corp.
Harold Boeschenstein, president, Owens-Corning Fiberglas Corp.
Marvin Bower, managing director, McKinsey & Co., Inc.
W. Harold Brenton, president, Brenton Cos., Inc.
Edgar M. Bronfman, president, Joseph E. Seagram & Sons, Inc.
Howard S. Bunn, vice chairman, Union Carbide Corp.
John L. Burns, New York, N.Y.
Jack K. Busby, president, Pennsylvania Power & Light Co.
Thomas D. Cabot, chairman of board, Cabot Corp.
James V. Carmichael, president, Scripto, Inc.
Rafael Carrion, Jr., president, Banco Popular de Puerto Rico.
Edward W. Carter, president, Broadway-Hale Stores, Inc.
Hung Wo Ching, president, Aloha Airlines, Inc.
Walker L. Cisler, president, the Detroit Edison Co.
Paul F. Clark, chairman of the board, John Hancock Mutual Life Insurance Co.
S. Bayard Colgate, New York, N.Y.
Emilio G. Collado, vice president, Standard Oil Co. (New Jersey).
James B. Conant, New York, N.Y.
Fairfax M. Cone, chairman, executive committee, Foote, Cone & Belding, Inc.
John T. Connor, president, Merck & Co., Inc.
John E. Corette, president, Montana Power Co.
H. H. Corey, chairman of the board, Geo. A. Hormel & Co.
Gardner Cowles, president and editor, Cowles Magazines & Broadcasting, Inc.
Mark W. Cresap, Jr., president, Westinghouse Electric Corp.
John P. Cunningham, chairman, executive committee, Cunningham & Walsh, Inc.
Charles E. Daniel, chairman, Daniel Construction Co.
Donald K. David, vice chairman, the Ford Foundation.
Paul L. Davies, chairman of board, FMC Corp.
Nathanael V. Davis, president, Aluminium, Ltd.
Donald C. Dayton, president, Dayton's.
William C. Decker, chairman, Corning Glass Works.
George S. Dinwiddie, chairman, New Orleans Public Service, Inc.
Wesley M. Dixon, chairman of board, Container Corp. of America.
Robert W. Dowling, president, City Investing Co.
Charles E. Ducommun, president, Ducommun Metals & Supply Co.
Frederick W. Ecker, chairman of board, Metropolitan Life Insurance Co.
Robert W. Elsasser, New Orleans, La.
Charles W. Engelhard, chairman and president, Englehard Industries, Inc.
Jewett T. Flagg, president, Flagg-Utica Corp.
Ralph E. Flanders, Washington, D.C.
Ralph G. Follis, chairman of board, Standard Oil Co. of California.
Lamar Fleming, Jr., chairman of board, Anderson, Clayton & Co., Inc.
Marion B. Folsom, Eastman Kodak Co.
John M. Fox, executive vice president, United Fruit Co.
Fred C. Foy, chairman, Koppers Co., Inc.
David L. Francis, president, Princess Coals, Inc.
Gaylord A. Freeman, Jr., vice chairman, the First National Bank of Chicago.
Walter D. Fuller, the Curtis Publishing Co.
Paul S. Gerot, president, the Pillsbury Co.
Philip L. Graham, President, the Washington Post Co.
Lincoln Gries, executive vice president, the May Department Stores Co.
Joseph Griesedieck, president, Falstaff Brewing Corp.
Gabriel Hauge, vice chairman of the board, Manufacturers Hanover Trust Co.
Ben W. Heineman, chairman, Chicago & North Western Railway Co.
H. J. Heinz, II, chairman, H. J. Heinz Co.
Robert Heller, chairman, Robert Heller & Associates, Inc.
J. V. Herd, chairman, America Fore Insurance Group.
William A. Hewitt, president, Deere & Co.
David G. Hill, president, Pittsburgh Plate Glass Co.
Oveta Culp Hobby, president, the Houston Post.
Paul G. Hoffman, Pasadena, Calif.
Theodore V. Houser, director, Sears, Roebuck & Co.
J. C. Hullett, president, Hartford Fire Insurance Co.
G. W. Humphrey, chairman, the M. A. Hanna Co.
Porter M. Jarvis, president, Swift & Co.
Alvin R. Jennings, managing partner and chairman, executive committee, Lybrand, Ross Bros. & Montgomery.
Ralph B. Johnson, president, the Hawaiian Electric Co., Ltd.
Norris O. Johnson, vice president, First National City Bank.
Eric Johnston, president, Motion Picture Association of America, Inc.
Thomas Roy Jones, vice chairman, Schlumberger, Ltd.
Frederick R. Kappel, chairman, American Telephone & Telegraph Co.
J. Ward Kleener, president, the B. F. Goodrich Co.
Charles H. Kellstadt, Sears, Roebuck & Co.
James M. Kemper, Jr., president, Commerce Trust Co.
Charles N. Kimball, president, Midwest Research Institute.
Lawrence A. Kimpton, director, Standard Oil Co. (Indiana),
Donald P. Kircher, president, the Singer Manufacturing Co.
Robert J. Kleberg, Jr., president, King Ranch, Inc.
Sigurd S. Larmon, chairman of board, Young & Rubicam, Inc.
Roy E. Larsen, chairman, executive committee, Time, Inc.
Fred Lazarus, Jr., chairman of board, Federated Department Stores, Inc.
Ralph Lazarus, president, Federated Department Stores, Inc.
David Lilienthal, chairman of board, Development & Resources Corp.
James A. Linen, III, president, Time, Inc.
E. A. Locke, Jr., president, Union Tank Car Co.
Roy G. Lucks, president, California Packing Corp.
Franklin J. Lunding, chairman of board, Jewel Tea Co., Inc.
Thomas B. McCabe, chairman, Scott Paper Co.
L. F. McCollum, president, Continental Oil Co.
Neil H. McElroy, chairman, Procter & Gamble Co.
Ralph McGill, publisher, the Atlanta Constitution.
Earl M. McGowin, vice president, W. T. Smith Lumber Co.
Frank L. Magee, chairman of the board, Aluminum Co. of America.
Stanley Marcus, president, Neiman-Marcus Co.
J. Willard Marriott, president, Hot Shoppes, Inc.
Joseph A. Martino, president, National Lead Co.
Oscar G. Mayer, Jr., president, Oscar Mayer & Co.
H. Talbot Mead, vice president, finance, the Mead Corp.
Edwin B. Meissner, Jr., president, St. Louis Car.
John F. Merriam, chairman, Northern Natural Gas Co.
J. Irwin Miller, chairman, Cummins Engine Co.
Don G. Mitchell, New York, N.Y.
Maurice B. Mitchell, president, Encyclopaedia Britannica, Inc.
C. G. Mortimer, chairman, General Foods Corp.
William B. Murphy, president, Campbell Soup Co.
Clarence J. Myers, director, New York Life Insurance Co.
Robert R. Nathan, president, Robert R. Nathan Associates, Inc.
Alfred C. Neal, president, Committee for Economic Development.
Isidore Newman, II, president, City Stores Co.
I. Wilson Newman, chairman of board, Dun & Bradstreet, Inc.
Albert L. Nickerson, chairman of board, Socony Mobil Oil Co., Inc.
Aksel Nielsen, chairman, the Title Guaranty Co.
Herman C. Nolen, president, McKesson & Robbins, Inc.
James F. Oates, Jr., president, the Equitable Life Assurance Society.
Robert S. Oelman, chairman and president, the National Cash Register Co.
William F. Oliver, president, the American Sugar Refining Co.
Nathaniel A. Owings, partner, Skidmore, Owings & Merrill.
H. Bruce Palmer, president, the Mutual Benefit Life Insurance Co.
DeWitt J. Paul, vice chairman, Beneficial Finance Co.

Edwin W. Pauley, chairman and president, Pauley Petroleum, Inc.
Morris B. Pendleton, president, Pendleton Tool Industries, Inc.
John A. Perkins, president, University of Delaware.
Howard C. Petersen, president, Fidelity-Philadelphia Trust Co.
C. Wrede Petersmeyer, president, Corinthian Broadcasting Corp.
Donald C. Power, chairman of board, General Telephone & Electronics Corp.
Philip D. Reed, New York, N.Y.
Richards S. Reynolds, Jr., president, Reynolds Metals Co.
James D. Robinson, Jr., chairman of board, the First National Bank of Atlanta.
Kinsey M. Robinson, chairman, the Washington Water Power Co.
Frederick Roe, partner, Stein Roe & Farnham.
George Romney, vice chairman, American Motors Corp.
William M. Roth, chairman of board, Pacific National Life Assurance Co.
George Russell, executive vice president, General Motors Corp.
Stuart T. Saunders, president, Norfolk & Western Railway Co.
Harry Scherman, chairman of board, Book-of-the-Month Club, Inc.
Ellery sedgwick, Jr., president, Medusa Portland Cement Co.
Leon Shimkin, chairman of the board, Simon & Schuster, Inc.
Neil D. Skinner, president, Hoffman Specialty Manufacturing Corp.
Donald C. Slichter, president, Northwestern Mutual Life Insurance Co.
George F. Smith, Johnson & Johnson.
S. Abbot Smith, president, Thomas Strahan Co.
John L. S. Snead, Jr., president, Chicago Express, Inc.
John I. Snyder, Jr., chairman and president, U.S. Industries, Inc.
H. Christian Sonne, New York, N.Y.
Philip Sporn, chairman, System Development Committee, American Electric Power Co., Inc.
Robert C. Sprague, chairman of board, Sprague Electric Co.
Allan Sprout, Kentfield, Calif.
Frank Stanton, president, Columbia Broadcasting System, Inc.
J. E. Wallace Sterling, president, Stanford University.
Edgar B. Stern, Jr., president, WDSU Broadcasting Corp.
William C. Stolk, chairman, American Can Co.
Alexander L. Scott, vice president and comptroller, American Telephone & Telegraph Co.
Julius A. Stratton, president, Massachusetts Institute of Technology.
Anna Lord Strauss, New York, N.Y.
Frank L. Sulzberger, chairman of board, Enterprise Paint Manufacturing Co.
J. M. Symes, chairman, the Pennsylvania Railroad Co.
H. Gardiner Symonds, chairman, Tennessee Gas Transmission Co.
Charles P. Taft, Cincinnati, Ohio.
C. A. Tatum, Jr., president, Dallas Power & Light Co.
Wayne C. Taylor, Washington, D.C.
Frank A. Theis, president, Simonds-Shields-Theis Grain Co.
J. Cameron Thomson, retired chairman of the board, Northwest Bancorporation.
C. E. Thwaite, Jr., charman of board, Trust Co. of Georgia.
H. C. Turner, Jr., president, Turner Construction Co.
Arthur B. Van Buskirk, vice president, T. Mellon & Sons.
Sidney J. Weinberg, partner, Goldman, Sachs & Co.
Leo D. Welch, chairman of the board, Standard Oil Co., (New Jersey).
Herman B. Wells, president, Indiana University.
J. Huber Wetenhall, president, National Dairy Products Corp.
Walter H. Wheeler, Jr., chairman, Pitney-Bowes, Inc.
Erskine N. White, president, New England Telephone & Telegraph Co.
Frazar B. Wilde, chairman of the board, Connecticut General Life Insurance Co.
A. L. Williams, president, International Business Machines Corp.
Walter Williams, chairman of board, Continental, Inc.
O. Meredith Wilson, president, University of Minnesota.
Walter W. Wilson, partner, Morgan Stanley & Co.
Theodore O. Yntema, chairman, finance committee, Ford Motor Co.
J. D. Zellerbach, chairman of the board, Crown Zellerbach Corp.

Mr. MUNDT. Mr. President, I think this committee is comprised of well motivated men. They surely know something about their own businesses and about foreign trade. But if they do not know any more about trade than they know about farming, I would look with a jaundiced eye upon what they would recommend about trade expansion. They also issue reports on the economy and the literacy of America; they comment on the guidance of metropolitan groups; but none of them lives on a farm or has an agricultural background. Yet we are being asked to vote for a farm program which incorporates in the corn and feed grain section the precise recommendations of the Committee for Economic Development on "an adaptive program for agriculture" which was published by the Committee for Economic Development last month, and in which they themselves say that if it is adopted, 2 million American farmers will be driven off the farm. That seems to be the best answer as to what is wrong with their farm program recommendations.

I prefer to go along with the distinguished Senator from Minnesota [Mr. HUMPHREY], who said, when we debated the same issue some time ago, something which I am perfectly willing to subscribe to today, because in that statement made on the Senate floor on March 7, 1956, Senator HUMPHREY said, speaking of the Benson philosophy:

> Let me say right now that it has been Secretary Benson's philosophy of cheap feed that has brought on cheap hogs and cheap beef and thrown the greatest income-producing segments of our agriculture into a tailspin. That was testified to again and again in the Senate committee hearings. When cheap feed is available there will be cheap hogs and cheap cattle. And let me hasten to add that it is cheap hogs and cheap beef to the producer, not to the consumer.

My friends, that is just a few short years ago when the Senator from Minnesota was castigating Secretary Benson for proposing just what the Ellender amendment will now do. In that debate the Senator from Minnesota told the Senate in talking about the Benson scare philosophy of surpluses:

> In order to meet this so-called monstrous problem, it has again embraced a fallacious economic philosophy—the same economic practices that were tried and that failed, in the days of unemployment in the early thirties. The idea that by reducing prices, production will be reduced and thereby agriculture's income problems will be solved is a throwback to a repudiated political-economic formula that was tried on other surpluses a generation ago.

Mr. President, I agreed with that statement in 1956 and I agree with it today. We cannot repudiate Mr. Benson in one speech and then embrace him with support of this amendment if we hope to maintain a sound economic farm industry.

Mr. President, the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] stated on February 23, 1956, in the debate on the farm bill, with respect to Mr. Benson's program:

> To be frank, Mr. President, I could not in good conscience support the Secretary of Agriculture's farm program and still look the farmers of America straight in the face.

Mr. President, I cannot support the present farm bill which is the Benson Committee for Economic Development program of ruination and return to South Dakota and look our corn, small grain and livestock producers in the face. I hope many others will join me in opposing this ill-conceived farm bill.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. May I have 1 more minute?

Mr. ELLENDER. I cannot afford it.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The farm bill that the Senate is about to vote on is, in my opinion, an improvement over existing law.

Although the bill has five titles, covering land use adjustment, Public Law 480, credit, industrial uses, and feed grains and wheat, most of the debate and interest has been devoted to the commodity section.

Earlier this year the Senate acted favorably upon provisions affecting feed grains and wheat, which, in my estimation, were extremely desirable, beneficial, and realistic not only from the standpoint of providing farmers with a stability of income but also from the standpoint of protecting the taxpayers of this Nation.

In the case of wheat, the bill provides for a minimum quota of 1 billion bushels, which would replace the existing 55 million minimum acre provision now in the law. It is this minimum acreage provision which has contributed most to the accumulation of the huge surpluses in Government hands which are neither necessary nor desirable. By the enactment of this one provision alone, I feel that the Senate will act wisely. In addition, however, the Senate in accepting the wheat provisions will have moved a long way, not only in reducing the huge surpluses that now exist, but also in providing wheat farmers with the means whereby their income can be improved immeasurably.

Mr. President, a realistic program is beneficial to farmers as well as to the Nation as a whole and, in my opinion, the provisions as they relate to wheat are very realistic.

In the case of feed grains, the Senate, because of the practicalities of legislative life, has accepted the substitute which I proposed in lieu of the original program as contained in S. 3225. It is my firm conviction that the feed grain program passed by the Senate in May was much more desirable in every way. That program put it squarely up to farmers themselves to decide whether they wished to accept strict controls, coupled with high price supports, or no controls with so-called free market price supports. The route which farmers were to take would have been decided in a referendum, and strict controls would have gone into effect only if two-thirds of the farmers had voted in favor of them.

Since it is impossible to reenact this program, I chose the alternative which, in my estimation, provided both farmers and taxpayers with the greatest protection. Under this proposal, price supports for corn will be set at between 0 and 90 percent of parity and at such a level that will assure no increase in the Government stocks of corn. Price supports for other feed grains may be set in relation to corn.

Under no circumstances can any controls be imposed on feed grains. Farmers are assured of complete freedom from Government intervention in the production of feed grains. That is what many Senators on the other side of the aisle desired; and if this bill is enacted into law, that is what they will get. The taxpayers are assured that Government expenditures for the support of feed grains will be minimized. This program will go into effect in 1964.

In the meantime, for 1963 I proposed an extension for the third time of the so-called temporary feed-grain program. I did this reluctantly, because of the excessive cost of the program. In 1961 this so-called temporary program cost $825 million. In 1962, it is expected to cost slightly in excess of $1 billion. It is anticipated that the total reduction in production below that in 1960 will amount altogether to about 950 million bushels of feed grains for the 2-year period. It is my fervent hope that the extension of this temporary program for 1963 will result in a further substantial reduction in production.

If this occurs, feed-grain producers in 1964 will move into a new program, with stocks of feed grains at a much more reasonable level, and at about the same that existed in 1956. Under these circumstances, and coupled with the increased feeding rate, as well as the increase in the number of animals to be fed, it is my feeling that feed-grain producers will be operating under very desirable conditions, with the likelihood that farm income may be improved immeasurably over that at present.

As a matter of fact, the bill was designed to give feed-grain producers the complete freedom they so earnestly desire, but at the same time to provide for a maximum level of income protection for farmers.

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 more minute.

Mr. ELLENDER. Mr. President, in my estimation, the enactment of this bill will result in a realistic program for feed grains and wheat that will reverse the trend of the previous programs under which the Government accumulated huge stocks of these commodities.

This is extremely important, for I feel that when the taxpayers are protected, we also protect all farm programs. I think it has become evident that unless this is accomplished, all farm programs may well fall by the wayside.

Therefore, Mr. President, I feel it fair to say that, on the one hand, farm income will be protected, and, on the other, taxpayers in time will be relieved of the heavy burden of the excessive Government expenditures experienced in past years in supporting the price of these commodities. Furthermore, in my opinion the Senate has acted to save all farm programs.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an analysis of the bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON AGRICULTURE AND FORESTRY,
August 22, 1962.

SHORT EXPLANATION OF H.R. 12391, AS PASSED BY THE SENATE (INDICATING AMENDMENTS TO THE COMMITTEE AMENDMENT AGREED TO BY THE SENATE)

H.R. 12391, as amended by the Senate, consists of five titles providing for—

TITLE I—LAND USE ADJUSTMENT

1. Permanent administration of the agricultural conservation program on a national basis.

2. Payments to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Appropriations are restricted to $10 million annually.

3. Loans to State and local public agencies to carry out land utilization plans.

4. Amendments to the Watershed Protection and Flood Prevention Act providing, among other things, for Federal participation in installation costs for recreation purposes and in land costs for public fish, wildlife, and recreation purposes.

TITLE II—PUBLIC LAW 480

Long-term supply contracts with the private trade and other amendments of title IV of Public Law 480, 83d Congress.

TITLE III (SUBTITLE A)—FEED GRAIN PROGRAM

1. Extension of the special feed grain program to the 1963 crop. Price support would not be limited to the normal production of the 1963 acreage (Young of North Dakota amendment). Producers would be required to take appropriate erosion control measures on diverted acres (Mundt amendment).

2. Effective with the 1964 crop, the support price for corn would be at such level, not exceeding 90 percent of parity, as will not increase CCC stocks; other feed grain support would be discretionary at up to 90 percent of parity; and the Secretary is directed to submit any new feed grain legislation he deems desirable to the next Congress (Ellender amendment). Effective with the 1964 crop, the minimum CCC corn and feed grain resale price for unrestricted use would be 65 percent of parity, plus reasonable carrying charges (Di ksen amendment as modified by Ellender proposal). Effective on enactment, feed grains could be made available at prices in the public interest to milk producers to assure an adequate supply of milk free from radioactive fallout contamination (Proxmire amendment).

TITLE III (SUBTITLE B)—WHEAT PROGRAM

The marketing quota program would be revised to provide for more effective controls and for an acreage diversion program with payments for the first 3 years of diversion. A marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as determined by the Secretary as would carry out the price and income objectives of the bill. If marketing quotas were disapproved by producers, the support level would be 50 percent of parity (Cooper amendment). Under the diversion program, erosion control could be required when payments were made (Mundt amendment).

TITLE IV—GENERAL

1. Farmers Home Administration loans for recreational facilities and sewers.

2. An increase (from $10 million to $25 million) in the amount of direct FHA real estate loans for immediate resale which can be made from the agricultural credit insurance fund.

3. A single loan fund for Rural Electrification Administration loans, to include funds appropriated, borrowed, or repaid, and to be available for loans only as authorized in appropriation acts.

4. Congressional policy concerning use of private trade channels by CCC (Humphrey amendment).

5. Congressional policy favoring use of farmer cooperatives in administering farm laws and according them equal treatment with individuals (Humphrey amendment).

6. Advertising under cherry marketing orders (Hart amendment).

7. Farmers Home Administration loans to fish farmers (Fulbright amendment).

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. Mr. President, I wish to state that it is difficult for one to decide how to vote on this farm bill. It contains many sections of which I approve, and also many sections of which I do not approve.

However, Mr. President, under all the circumstances, on final analysis I feel that I should support the bill.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. MILLER. I thank the Senator from Louisiana.

Mr. President, the main reason why the Kennedy-Freeman bill was defeated not long ago in the House of Represent-

atives was that it made it necessary for farmers to choose between the loss of their freedom and the loss of their farms. Either they would lose their freedom, because the bill would have provided very strict controls under great numbers of additional employees of the Department of Agriculture, with price supports; or, on the other hand, farmers would have had no price supports whatever. It has been demonstrated by studies made at Iowa State University that to remove all price supports immediately would result in chaos.

Mr. President, there was published today in the Wall Street Journal an article entitled "Senate Moves To Force New Feed Law in 1963." In the interest of brevity, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATE MOVES TO FORCE NEW FEED LAW IN 1963—BILL WOULD SLASH FEED GRAIN PROPS IF NEW PROGRAM IS NOT APPROVED BY NEXT YEAR—CURRENT ACT TO BE EXTENDED

WASHINGTON.—The Senate approved by a comfortable margin a proposal that would require a slash in price supports for corn and other feed grains if Congress fails to write a new feed grain law next year.

Despite Republican charges that the plan would "put the farmer in the poor house" and hand coercive power to Agriculture Secretary Freeman, the Senate wrote the provision into the pending farm bill by a 58-to-23 vote. Favoring it were 51 Democrats and 7 Republicans; opposed were 3 Democrats and 20 Republicans.

The Senate completed work on all proposed amendments to the farm bill, but put off the rollcall vote on final passage until today. The bill, the second the Senate has tackled this year, would extend through 1963 the present inducements to farmers to reduce feed grain plantings voluntarily. Farmers who cut their corn, sorghums, and barley plantings at least 20 percent below the 1959–60 average receive price supports and acreage-diversion payments.

As the bill was first presented to the Senate, the Permanent Corn Act, passed in 1958, would go back into effect when this 1-year extension of the voluntary program expires in 1964. The Corn Act, much criticized as an "open end" measure that helped swell the huge grain surpluses held by the Government, would provide price supports without any production restraints. Supports would be fixed at 90 percent of the average market price for a 3-year period, or 65 percent of parity, whichever is higher. Parity is the ratio of prices farmers receive for their products to the prices they pay for things they buy.

FARM CHIEF WOULD SET PARITY

The amendment adopted by the Senate yesterday would, instead, repeal the 1958 act and provide that, when the voluntary program's extension expired in 1964, the Agriculture Secretary fix price supports for corn and other feed grains anywhere between zero and 90 percent of parity. The amendment specifies that he would decide on a support level that "will not result in increasing" the stocks of grain held by the Government's Commodity Credit Corp.

Senator ELLENDER, Democrat, of Louisiana, chairman of the Agriculture Committee and a champion of mandatory curbs on feed grain output, sponsored the amendment. He said he would have preferred Congress to enact a mandatory program, but because this was rejected by the House this summer "it appears that the only alternative left is discretionary supports." He said this step is necessary to protect the Government against the prospect of "unlimited production" if the 1958 law were to go back into effect.

The Ellender amendment was actually adopted on a voice vote with only a few Senators present. Republicans, who said they were caught unaware by this move, later filed a motion to reconsider that action. This the Senate tabled by the 58-to-23 rollcall which, in effect, confirmed the adoption of the amendment.

RESEMBLES BENSON PLAN, GOP SAYS

Republicans charged that the amendment was simply designed to put pressure on farmers to support legislation for compulsory feed grain controls when Congress reconvenes in January. Senator HICKENLOOPER, Republican, Iowa, said Mr. Freeman could threaten farmers with no supports at all unless they accepted mandatory production curbs.

Republicans also said the proposal for discretionary supports from zero to 90 percent closely resembled legislation that was advocated by Ezra Taft Benson, Agriculture Secretary under former President Eisenhower, and bitterly opposed at that time by congressional Democrats. Senator MUNDT, Republican, South Dakota, who opposed the amendment, said some Democratic Senators have become "Johnny-come-lately converts to the Benson philosophy."

The Senate adopted another amendment that would provide that if and when the zero to 90 percent support plan does take effect, the Government would be barred from selling its own stocks of corn and feed grains at a price less than 65 percent of parity.

The farm bill approved by the House simply would extend the voluntary feed grain program for 1 year. When the Senate passes its own version, it will fall to a Senate-House conference to iron out the differences. Sponsors of the Senate measure expressed confidence about retaining the Ellender amendment in some form.

The other major provision of the Senate bill would institute a new wheat certificate plan beginning with the 1963 crop. In contrast, the House measure would merely extend for 1 year the current so-called emergency wheat program. Some Senators are talking about compromising these two approaches in the conference by combining them—extending the emergency program for a year and then inaugurating the certificate plan in 1964.

MUNDT PROPOSAL REJECTED

Under the emergency program in effect for 1962, wheat acreage allotments were reduced 10 percent on a mandatory basis. In exchange, farmers receive support prices from the Government—payments for the crops they elect not to sell on the open market—plus payments for diverting cropland to conservation purposes.

Under the certificate plan, which would require farmer approval in a referendum, the present national minimum wheat allotment of 55 million acres would be repealed and replaced by a national marketing quota of at least 1 billion bushels. Producers would need Government marketing certificates to sell their allotted wheat, and they would receive price supports on wheat for domestic food use at 6 to 90 percent of parity.

A Mundt proposal to let wheat farmers choose in a referendum between this certificate plan and a 2-year extension of the emergency program was rejected, 50 to 29.

Both House and Senate bills contain a new land use program designed to encourage the conversion of farmland to such uses as recreation and conservation. The Agriculture Department would be authorized to help State and local agencies carry out land utilization plans. Senator KEATING, Republican, of New York, offered an amendment that would have prohibited any Federal assistance to such projects if they involved public facilities where racial segregation would be practiced. The Senate narrowly tabled his proposal, 40 to 37.

AMENDMENT APPROVED

The Senate adopted an amendment that would permit the Government to release its stored feed to dairy farmers if this is deemed necessary to assure the production of milk free from contamination by radioactive fallout. The amendment was sponsored by Senator PROXMIRE, Democrat, of Wisconsin, and was accepted by the bill's sponsors. Dairy farmers in some parts of Utah are feeding their cows on stored grain instead of pasture because high levels of radioactivity were found in their milk, presumably because fallout from tests of atomic devices in neighboring Nevada contaminated their grass.

By a 55-to-17 vote the Senate turned down an amendment by Senator TOWER, Republican, of Texas, that would have directed Agriculture Secretary Freeman to submit legislation to Congress by the end of this year for the abolition of all Federal farm programs within 4 to 6 years. A somewhat comparable proposal by a business-sponsored research group, the Committee for Economic Development, has encountered little support in Washington.

By voice vote, the Senate defeated a plan sponsored by Minnesota Democrats MCCARTHY and HUMPHREY to provide incentive payments and higher support prices to dairy farmers who voluntarily reduce their milk output. A somewhat similar plan is incorporated in the House farm bill, but Senators have been cool to so-called surplus reduction payments unless accompanied by penalties for dairymen who boost their output.

Mr. MILLER. Mr. President, from a reading of the article and a knowledge of the background of this bill, we can see that, come 1964, if not earlier, the Members of Congress who represent the agricultural interests will be faced with the necessity of choosing between a control-type program, on the one hand, or, on the other hand, nothing, because under the Ellender amendment, which was adopted yesterday, farmers will not have any opportunity to have price supports after 1963.

Mr. President, I ask unanimous consent to have printed in the RECORD an article, from today's Wall Street Journal, entitled "Freeman Condemns Congress Halfway Steps on Agriculture," containing a criticism of the administrations control-type program by Prof. Don Paarlberg of Purdue University; and an article, from the August issue of the Farm Journal, entitled "What Do We Do Now?"

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FREEMAN CONDEMNS CONGRESS HALFWAY STEPS ON AGRICULTURE—HE URGES ADOPTION OF KENNEDY'S SUPPLY-MANAGEMENT PLAN; CRITICIZES CED'S PROPOSAL

STORRS, CONN.—Agriculture Secretary Freeman assailed "halfway measures" in Congress that send Federal farm costs soaring, and reiterated his plea for farmers to decide between the free market concept and the Kennedy administration's supply-management plan.

Mr. Freeman spoke here at a meeting of the American Farm Economic Association to more than 1,500 agriculture economists from

the United States and several foreign countries.

The supply-management concept calls for Government action to bring supply and demand into line and convert millions of cropland acres into recreation sites, grassland and timber. It offers, the Agriculture Secretary declared, "the only real freedom of action, of individual management decision, to the American farmer," permitting producers jointly to agree to limit their output in exchange for Government supports that will maintain their incomes.

SECRETARY CRITICIZES CED PLAN

Mr. Freeman sharply criticized the free-market farm policy recently proposed by the business-sponsored Committee for Economic Development. He said the CED plan, providing 5 years of gradually declining Government aid to agriculture, would reduce net income per farm to $700 by 1966 from about $3,360 in 1961, and total net farm income would decline by 1966 to about $2 billion from $12.8 billion in 1961.

"Rural America would be irreparably changed, with communities destroyed and institutions seriously damaged," Mr. Freeman said. "Unemployment rates would be raised sharply as displaced farmers entered the labor force. They would compete with workers already affected by industry's problems of excess capacity and automation—and both would find jobs more difficult to get."

Earlier, a former Eisenhower administration official branded President Kennedy's farm policies "a kind of neomerchantilism, wary of the market and of individual decisionmaking."

POLICY LIKENED TO 18TH CENTURY

The appraisal was made by Don Paarlberg, an Assistant Agriculture Secretary and Food for Peace Coordinator during the Eisenhower administration, after Willard M. Cochrane, chief economist for Agriculture Secretary Freeman, reviewed the Kennedy administration's supply management concept.

Mr. Paarlberg had some praise for administration efforts to step up food donations to needy people at home and abroad, to expand export markets for farm goods, and to speed economic development of depressed rural areas. But he likened other New Frontier farm policies to 18th-century mercantilist doctrine that prescribed strict government controls on some production, marketing and trade. The harsh application of this doctrine by England has been called one of the causes of the American Revolution.

Mr. Paarlberg, now a professor of agriculture at Purdue University, criticized "the low esteem with which the administration holds the ability of the farmer to make wise decisions as to resource use, and the unwarranted high regard it has for the ability of Government to make these decisions."

WHAT DO WE DO NOW?

When the turkey growers of the country turned in a heavy adverse vote on a national marketing order the other day, it was the third time within a year that the administration had been told "loud and clear" that farmers don't want any more Government control of agriculture than they've already got.

One wonders whether the message isn't coming through down there in Washington or whether farmers' opinions don't carry much weight with this administration. It must be one or the other.

The first time was when Congress unceremoniously tossed out the administration's 1961 omnibus farm bill, which would have transferred some of the law-writing functions of Congress to the Secretary of Agriculture.

The second time was a month ago when in a bitter fight the 1962 Kennedy-Freeman get tough, compulsory-control farm bill was defeated in the House by 48 courageous Democrats and all but one of the Republicans.

Now it's the turkey growers who have been heard from. Last year they got themselves in trouble by raising too many turkeys. But rather than accept Government control as a cure, they've elected to solve their own problems. Like the rest of the livestock industry, they prefer to take a bad year now and then, and let that supply the corrective, rather than have the Government tell them how to run their business.

Three rebuffs in one year ought to begin to add up to something for anyone who cares to listen.

THAT BILLION-DOLLAR COST

On the defeat of his farm bill, President Kennedy said the country would now pay an extra billion dollars a year.

We doubt it very much. True, we may pay more storage and handling costs, but what about the cost of administering and policing an expanded system of compulsory controls on the individual farms of the country?

Moreover, some of whatever additional cost there is will be paid to farmers, and we refuse to weep over that. As we've pointed out before, they won't be paid "for doing nothing," but for doing something—laying up part of a productive plant in which they have got a lot of money invested. They are renting it to the Government in the public interest, and the Government should expect to pay the rent.

Nor can we feel very sorry for the city man who helps dig up the rent money. The fact is farmers have done far more subsidizing of consumers than the other way around. Farmers, more than any other group, have stood between consumers and higher costs of living.

The cost of living increased 15.1 percent from 1951 to 1961. Prices paid to farmers for food and fiber decreased 22.6 percent in the same 10 years. This dollar contribution by farmers to consumers would make $1 billion extra a year for a farm program look paltry—even if the billion-dollar extra cost were actually there.

WHAT TO DO NOW?

Probably the best we can do in this session of Congress is extended the present wheat and feed-grain programs. If the administration is anxious to cut costs it can well revert to 1960 support prices, which never should have been raised, anyway. Meanwhile, we can go on with present programs on cotton, rice, peanuts, and tobacco.

There's a much sounder way to spend Government farm-program money, and it would begin to cure the problem, not just temporarily relieve it. For the longer range we hope the lawmakers will take a fresh—and bipartisan—look at an adequate program of voluntary land retirement. We've never had such. It could work. It would cost no more than compulsory controls would. And it would leave farming in farmers' hands—which is exactly where it belongs.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. ELLENDER. Mr. President, I yield to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, I shall vote against this bill, H.R. 12391, which the administration describes as its solution to the farm problem. This bill does not begin to touch the real problem confronting the American farmers, nor does it provide a solution to the program under which billions of dollars worth of agriculture commodities have been accumulated in the Government warehouses.

During World War II Congress guaranteed to the American farmers a support price for certain agriculture commodities based upon 90 percent of parity with the proviso that this 90 percent guarantee would extend for 2 years following the end of World War II.

This program guaranteeing these relatively high support prices was approved for the announced purpose of increasing the production of agriculture commodities and to guarantee the farmers that should the war suddenly end they would be protected against loss during the 2 year interval following the readjustment of their production schedules.

This program was successful in obtaining a substantial increase in the agriculture production which was needed to supply the citizens of our country and our allies during the struggle, and had I been in Congress at that time I would have supported such a program.

But this program guaranteeing 90 percent supports should have expired on schedule following the end of hostilities. At that time we had relatively no surplus inventory of agriculture commodities. The adjustments could have been made without hardship to the farmers and with a minimum cost to the taxpayers; but instead of allowing this high support price to expire as originally scheduled, Congress proceeded to approve a series of 1- and 2-year extensions, each time with the promise that as the next expiration date approached they would realistically reappraise the program.

For 15 years Congress has procrastinated. Billions of dollars have been poured down the drain under the guise of helping the American farmers, and today we have a multibillion-dollar inventory in the Government warehouses which hangs as a ceiling over the prices of all agriculture commodities.

I entered the Senate in 1947 and joined the minority in opposing the first extension of these high support prices. I warned then that unless they were promptly reduced, the support prices would, as the inventories accumulated, become ceiling prices.

Furthermore, this program which is flaunted as being of great assistance to the small farmer is a farce. During these 15 years more small farmers have closed their operations than ever before in the history of our country.

I recognize that all of this change cannot be charged to the support program, however, since with the mechanization of our farms with modern equipment, farming operations of necessity have become large business, but under the farm program, as it has been approved by the Congress over these years, this trend from the small farm has been accelerated.

Under the New Frontier feed grains program, as first approved last year and as proposed to be extended here today, the benefits will not go to the small farmer but rather it will perpetuate subsidization of the expansion of the large corporate type of operations.

A small family-type farmer cannot so readily curtail his operation. He must still keep a tractor, combine, planters, and other types of equipment in operat-

ing condition. His equipment and labor costs are not lessened should he put a part of his acreage under lease to the Government under the feed grains program. His expenses are the minimum fixed liabilities, and they continue even though he lets a part of his farm lie idle.

On the other hand, the corporate-type owner and a large operator can take all or parts of their acreage out of production, put some of their tractors, combines, and other equipment in the barn, dismiss their employees, and spend the winter in Florida on the cash benefits which they collect from the Federal Treasury for the land being retired from production.

Recently I called attention to the fact that under the Kennedy feed grains program the Ford Motor Co., the Louisiana State Penitentiary, one of the largest banks in Illinois, and a couple of airports had all been qualified as little farmers eligible for substantial subsidies under this program.

The bill before us today extends this farce, and these same payments would be authorized for another 12-month period.

By what line of reasoning can the Louisiana State Penitentiary qualify for $45,000 subsidy under a farm program, or the Ford Motor Co. qualify as a farmer in need of assistance from the Federal Treasury?

By what line of reasoning can an airport which buys an adjoining farm for the purpose of extending its runways qualify as a farmer and collect payments from the Federal Treasury in return for an agreement not to raise corn on its extended runways or between its runways?

By what line of reasoning could anyone ever think that the city of St. Louis is a farmer; yet, last year under the Kennedy feed grains program the city of St. Louis collected over $12,000.

A farm operating in the State of Mississippi, that is owned by a corporation, with headquarters at Manchester, England, qualified as an American farmer, and we sent them over $11,000 as an inducement to cut down on its production of feed grains here in America.

All of these payments were legal and will be legal again next year if this bill before us today is approved.

Last year the Government paid to the American farmers—including those corporations, penitentiaries, airports, banks, motels, and so forth, who qualified as farmers—$1,118,233,897. These payments were made under the 1961 feed grains program and under the soil bank conservation reserve program.

In addition, they paid $208,182,000 to subsidize the purchase of additional lime and fertilizer and for certain soil conservation practices. This subsidized lime and fertilizer was made available for the announced purpose of increasing the productivity of the remaining acreage.

In addition, during the first 11 months of fiscal year 1962, the Government lost another $2,159,974,974 in its disposal of surplus agriculture commodities.

This does not begin to represent the overall cost to the American taxpayers of perpetuating this uneconomic farm program. For instance the Commodity Credit Corporation is capitalized with a borrowing authority from the Federal Treasury of $14½ billion. As of May 31, 1962, its financial statement showed that it had utilized $13,617,025,550.17 of this authority, but as security for this $13,617 million the Commodity Credit Corporation, as of that same date, reported loans and inventories as having a net book value of only $5,653,855,237.

In its May 31, 1962, report on page 11 the Commodity Credit Corporation reported an accumulative net deficit of $7,361,871,143.55.

Thus we find that this Government Corporation, based upon its own accounting system, has an accumulated loss of over $7 billion which still confronts the taxpayers, although it should be pointed out that all of this accumulative loss did not accrue in the last fiscal year or under this administration.

The Kennedy administration has offered the American farmers a choice of accepting their program with rigid controls or of being confronted with a complete repeal of all support prices and the possibility that the surplus would be dumped on the market overnight.

That is not a free choice in the light of nearly $6 billion in agriculture inventories which the Government owns and which are hanging over the market.

A threat to dump these inventories on the market can scare the American farmers into accepting an unsound program.

These high support programs could have been repealed outright 15 years ago without any disastrous effect to the farmers. We had no inventories. They could have been repealed on many subsequent dates at which time the inventories were not excessive, but now the inventories are there. No responsible person is suggesting that they be dumped on the market or destroyed. They cannot be dumped on the world market without creating international complications or chaos. Nor can they be dumped on our domestic market without a complete demoralization of prices.

The Government knows this and should stop holding the suggestion as a threat over the American farmers. Outright repeal now at this late date is not the answer, but what can be done is a systematic withdrawal of the U.S. Government from the business of operating the American farms.

Support prices should be reduced to the point where they would not guarantee to the American farmer a profit on his operation.

The Government should then begin a systematic liquidation of its excessive inventories. It may take 2 to 5 years to dispose of these inventories abroad or at home, but once these inventories are out of the way and no longer hanging over the market as a threat, the American farmers could then under an orderly free enterprise system begin to obtain realistic prices for their production.

The farmers during this transition period must be protected against unreasonable economic losses, but a support price which gives this protection should not encourage increased or continued heavy production. This support price should be at a level where any farmer would lose a little bit of his own money in each instance before he calls upon the Federal Treasury for its guarantee. The alternative to such an approach is the unacceptable rigid controls.

As evidence of this contradictory policy the Government itself last year leased to the American farmers for agriculture production 4,881,395 acres of cropland. Upon this they received an average of less than $3 per acre, or a total annual rental of $13,327,953.

At a time when the Government is paying as high as $50 per acre as an inducement to farmers to retire some of their land from agriculture production why could it not just withdraw from production its own 4,881,000 acres, upon which it is only receiving $3 per acre? This one step alone would save nearly $100 million.

Then again we find that the Government has six to eight different agencies out calling on the American farmers, trying to loan them money to expand their operations and thereby increase their production of commodities which are already in overproduction. The financing of these expanded operations, many of which are uneconomic, at a time when we already have too much does not help the farmers who are getting these loans, and the results of the increased production are only further aggravating the problem of the bona fide farmers.

What the American farmer needs is for the Washington bureaucracy to adopt some good common barnyard sense in planning a farm program, and this can best be accomplished by listening to the American farm organizations themselves rather than listening to some of the Harvard technicians, many of whose only experience with farmland has been that which was gained on the golf course.

It should be emphasized that the subsidy program for the American farmer is but one of the many unwarranted subsidy programs which are operated by the U.S. Government, and the formula which I am advocating here today under which an American farmer would lose a little of his own money before he receives Government support is a formula which should be extended to every phase of our economic system and every subsidy program on our statute books.

The American farmer is but one of the multitude of expensive subsidy programs which are presently in existence.

As evidence of some of the abuse which can develop under this type of program—a program which is based upon paying as high as $50 per acre to the farmers not to produce feed grains—I cite an example of how through maladministration this program has been abused in the State of Louisiana.

In that State it was found that the officials administering this program were juggling the records whereby they and their friends were collecting large payments—$50 to $60 per acre—for the retirement of their cropland whereas other farmers in the same area who were not in the clique were being offered as low as $4 per acre.

I called this to the attention of the Senate Agriculture Committee before they reported this bill with the suggestion that it should be investigated before they recommended further extension of the feed grains program. As yet no report has been rendered, and we are now confronted with the situation where we are asked to extend for another year this same program under which this abuse has been possible.

I ask unanimous consent that the article outlining some of the abuse under the 1961 feed grains program which are outlined in the August 1962 issue of Farm and Ranch be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT HAPPENED IN LOUISIANA—FEDERAL FUNDS FOR FAVORED SONS

(By Bill Kennedy)

HANDED "LICENSE TO STEAL," THIS ASCS COMMITTEE JUGGLED ACREAGES, YIELDS, AND PAYMENTS

(EDITOR'S NOTE.—This is a factual account. No names or places have been changed to protect the innocent.)

"Of course I take it. You be down there and see all that money and you'd take it, too."

Talking was an ASCS committeeman. His audience, a group of five farmers standing around the general store at Mansura, La. All five had ASCS form notices offering them from $4 to $14 per acre for taking corn out of production under the feed grains program.

One of the five had just confronted the committeeman with a copy of the official's own notice which showed he was to collect $59.20 per acre for his "grain bank" acreage, although it was generally known that his land was no better than his neighbors'.

It wasn't that the committeeman especially wanted to keep his neighbors' payments low. It was just a matter of mathematics. The State allotted the county just so much money, based on what the State ASCS office decided was the established average production for the county. So, in order for some to get very high payments, many others had to be cut to extremely low payment levels.

These and other farmers of Avoyelles Parish (county) who did some checking around (before ASCS records were closed to inspection) found the committees had applied a simple formula: County and township committeemen, their friends and influence peddlers were getting contracts calling for $45 to $60 per acre for not growing corn; most everybody else was getting from $2 to $15—with a few in between.

According to reports, Farmer-Merchant Bennie Gremillion, of Hessmer, got from the county ASCS office before Federal investigators arrived, contracts in Wards III and IV ranged from $3.50 to $45.40 in 1961 (this last for township committeemen, a county committeeman and "friends").

This year it got worse. In ward IV, Township Committeeman Bryan Bordelon was offered $61.50. Kannie Gaspard was to get $59.20. Clarence Norman, $56.80. William Watts (a committeeman last year but not reelected) would be paid $59.20 per acre.

Their neighbor, Sidney Ducote was offered $2 per acre.

Right across a narrow gravel road from Farmer Ducote is a farm owned by the county ASCS committee chairman, Roy Kirby. How much for him? (Guess.) That's right—$59.20. Kirby reportedly has 19 acres in the grain bank—yet, according to two nearby farmers, he produced no more than ¼ to 1½ acres of grain on this farm during 1959 and 1960 (the basic years).

Arthur Deglandon is a corn-growing champion. Last year he won a contest sponsored by a leading seed company by producing "better than 60 barrels per acre;" and his testimonial was used in the company's advertising. He, too, is a ward IV farmer. ASCS "established" his average yield at 19 bushels and this year offered him $11.80 per acre for taking corn out of production.

Sammy Ponthieux is one of the best farmers in ward III. His first offer this year was $6.90 per acre, based on an average yield of 11 bushels. Community Committeeman Alton Zimmer, immediately across the road from him, was getting $56. Sammy proceeded to put up a howl. The committee then raised his "established" average yield to 24 bushels and his grain bank price to $14.80. This failed to quiet him down and Sammy has recently been promised another raise.

Bennie Gremillion's case is even more interesting. His first offer this year was $11.80, based on an established average yield of 19 bushels per acre—with 34 acres of base acreage. His second offer, after the ruckus started, was $19.70 (yield was now established at 32 bushels). But Bennie continued to make trouble; was instrumental in getting an investigation started and cooperated fully with investigators. After that his base acreage for the grain program was reduced from 34 acres down to 3.

All of this is evidence that the committees had complete flexibility in establishing acreages, yields, and prices. The program is based on years when there were no grain crop allotments, no measurements. No records of acreage nor yields were kept; all was based on estimates and subject to adjustment. It left the door wide open for legal discrimination.

A Federal investigator from the regional office in Texas was called into Avoyelles Parish. And in the opinion of those who helped and watched him he did a thorough job—and made a thorough report. It's now apparent, however, that the report will not be released, will not be seen except by insiders at USDA—and by Congressman McSWEEN, Democrat, of Louisiana, who reportedly received a copy.

The State ASCS office sloughed off the matter by reporting in the press that "some Avoyelles Parish farm payment rates had been improperly established," but went on to add that it "found no evidence of intentional failure to follow prescribed procedures." (Reminds you of Secretary Freeman explaining the Estes fraud.) The office ruled that the last half (harvestime) payments would not be made on some of the higher contracts but asked for no refunds on outlandish payments already made.

ASCS tries desperately to pretend that's the end of it. But farmers in the county are far from contented. They just don't like the idea of having a small group call all the shots on all the farms, regardless of who the men are.

Asked why they didn't elect new committeemen for this year after seeing what happened last year, Sammy Ponthieux summed it up:

"That ain't so easy with this system we got. They have this voting by mail—and the committeemen are the ones who count the votes."

Mr. HRUSKA. Mr. President——

Mr. ELLENDER. Mr. President, I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, the pending bill is an improvement over Senate bill 3225, which was passed by the Senate last May, in that the present measure does not contain the highly objectionable Kennedy-Freeman compulsory feed-grain provisions.

Until a few days ago the Senator from Louisiana [Mr. ELLENDER], the chairman of the Senate Agriculture and Forestry Committee, planned to make an effort to include the Kennedy-Freeman compulsory feed-grain bill in the present measure. Because of those intentions, I joined with other Senators in announcing that we would vigorously resist such an effort with any available means, including delay in acting on the bill.

Happily, this became unnecessary because on Monday of this week the Senator from Louisiana declared that he had abandoned all thoughts of having the Kennedy-Freeman feed-grains bill passed at this session; and he stated that he would not offer such an amendment. His stated reason was not only doubts that such effort would be approved by the Senate, but also the fact that the House had refused to pass the bill including the amendment, and the further fact that the absence of sentiment in the House was such that such a version was still unacceptable.

In spite of the fact that this bill is the better for the absence of the compulsory feed-grain features, I do not find it possible to vote in its favor. There are two principal reasons.

First, title III, on wheat, includes an involved, complex, and hard-to-understand certificate plan. Even legislators experienced in this field acknowledge difficulty in figuring out what it means and how it will work. A very casual reading of it, however, makes clear that under its terms the Secretary of Agriculture would be given extraordinary discretionary powers. He could issue regulations—which would apply to producers, processors, warehousemen, and exporters—of such nature and degree that they would make him practically a czar of the entire industry. He would be endowed with at least 24 major discretionary powers and authority.

Mr. President, I ask unanimous consent that there be printed in the RECORD, at this point in my remarks, a list thereof.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TITLE III–B OF H.R. 12391 DELEGATES BROAD AUTHORITY TO SECRETARY

Major discretionary authorities are summarized below:

1. Authority to determine if referendum shall be for 1, 2, or 3 years.

2. Authority to determine size of national marketing quota (not less than 1 billion bushels) and to determine annual drawdown of stocks.

3. Authority to determine that allotment for any type of wheat in short supply shall be increased above allotment otherwise computed in amount determined by the Secretary.

4. Authority to exclude from program any State with less than 25,000 acres of allotment.

5. Authority to determine what may be planted on diverted acreage, the amount by which the diversion payment will be reduced if such crops are planted, and whether or not diverted acreage may be grazed.

6. Authority to determine the amount of payment for wheat diverted acreage (not more than 50 percent of the support rate on normal yield).

7. Authority to determine conservation uses which must be practiced on diverted acreage and to determine a conservation base on each farm which must be exceeded by acreage of wheat diverted and to adjust payment for failure to comply with conservation requirements.

8. Authority to determine if advance diversion payments shall be made (not to exceed 50 percent of total).

9. Authority to establish such terms and conditions not specified in law as Secretary deems "desirable to effectuate purposes" of conservation program.

10. Authority to determine how many wheat marketing certificates shall be issued for food and export (export includes wheat disposed of under Public Law 480, including donations and sales for foreign currencies).

11. Authority to determine the value of wheat marketing certificates.

12. Authority to issue regulations relating to transfer of wheat marketing certificates.

13. Authority to determine under what circumstances wheat marketing certificates shall be purchased by CCC from farmers.

14. Authority to determine if CCC should establish a pool for marketing certificates and to prescribe regulations relating thereto and the fees to be charged for handling marketing certificates.

15. Authority to establish conversion factors to determine amount of wheat in any food product.

16. Authority to "take such action as he determines to be necessary to facilitate the transition" to the new program.

17. Authority to exempt "all or a portion" of food products in process on effective date of new program or to sell owners thereof certificates at such prices as the Secretary may determine.

18. Authority to require processors, warehousemen, exporters, and others dealing with wheat certificates to "keep such records as the Secretary finds to be necessary."

19. Authority to require processors, warehousemen, exporters, and others dealing with wheat certificates to submit such reports as the Secretary finds necessary.

20. Authority to examine the books, papers, records, accounts, correspondence, contracts, documents, and memorandums as the Secretary finds necessary to ascertain the correctness of records and reports.

21. Authority to deny marketing certificates to any producer "in whole or in part, as the Secretary may determine" for any violation of the law or regulations, without judicial action.

22. Authority to "prescribe such regulations as may be necessary to carry out the provisions of this subtitle."

23. Authority to establish a level of price support for certificate wheat at any level between 65 and 90 percent of parity.

24. Authority to establish the level of price support for noncertificate wheat.

Mr. HRUSKA. Mr. President, after reading this list, the least that can be said is that the plan requires careful, thoughtful study and analysis. Naturally, there is much confusion and there is much misunderstanding as to the plan as contained in the bill. In fairness it must be said that opinion in the Wheat Belt is very substantially divided. There is considerable support for it; there is also considerable opposition to it.

Regardless of its merits, therefore, instead of having a choice between this unknown, untried, and hard-to-understand plan and an ineffective, undesirable price-supports system, the wheat farmers should have an alternative plan. They should be given the freedom of choice which the Mundt amendment would have given them if it had been approved; namely, a chance to elect as between the wheat certificate plan, on the one hand, and a continuation for 2 years of the program which is in operation today.

Had this Mundt amendment been adopted, the wheat certificate plan could have been thoroughly studied in the meantime, and there would not be the coercion which will prevail under the bill we are to vote on today.

It is keenly regrettable that the Mundt freedom-of-choice amendment was defeated.

Rather than requiring the wheat farmer to make the hard choice of pronouncing judgment soon of this new and complicated concept, I shall cast my vote against this measure.

The second principal reason why I find it impossible to vote in favor of the bill lies in the very drastic amendment of the present law in regard to price supports for corn. The present law provides that price supports shall be not less than 65 percent of parity and not more than 90 percent. This was amended to strike out the minimum of 65 percent, thus giving the Secretary of Agriculture the power to provide for corn price supports anywhere from zero to 90 percent of parity, and at a level within that range which will not result in further surplus accumulations by the Government.

Most of us will recall the efforts of former Secretary of Agriculture Benson when he tried to get the same amendment approved. Many Members of Congress opposed him in that desire, because it was felt then, and I feel now, that the Secretary of Agriculture should not be permitted to possess such a powerful and coercive tool—the power to fix price supports without regard to a specified floor or minimum. Certainly if such an amendment was objectionable under Secretary Benson, it is objectionable now under Secretary Freeman. The new proposal is even worse, because of the inclusion in it of the provision that the price support must be fixed low enough so as to prevent the addition of a single bushel the Commodity Credit Corporation's stocks of corn.

An effort was made yesterday to defeat this amendment, but it failed. It was curious, indeed, to see that all the Democratic Members of the Senate who voted—with the exception of two—voted in favor of eliminating the minimum of 65 percent of parity for corn price supports. They did so in spite of the fact that for many years under President Eisenhower's administration there was a constant declaration by many members of the Democratic Party for 100 percent of parity, or even more, for price supports, and a constant criticism on their part of Secretary Benson for trying to eliminate the 65-percent minimum. Now they have completely forsaken their previous position, and their many previous declarations.

Many of us are fearful that the Secretary of Agriculture will use this newly granted power to reduce corn prices to such a low level that, in sheer desperation, in their efforts to avoid complete ruin, corn and feed-grain farmers will knuckle under to the constant pressure and the goal of the White House, the Department of Agriculture, and the Democratic leadership in Congress, for enactment of the Kennedy-Freeman-Cochrane compulsory feed-grains bill.

This would be disastrous, indeed, to the bell-being of agriculture generally. The eventual outcome would be a management-supply concept and production-quota plan, not only for feed grains alone, but also for cattle, hogs, sheep, poultry, poultry products, dairy products, and, in fact, all farm products generally.

This was the essence of the thinking earlier this year in the House of Representatives, when it refused to pass the farm bill. Yet we are now arming the Secretary of Agriculture with power to reduce corn and feed-grain price supports to such a low level as to be able to create a pressured political climate that will result in a coerced adoption of the compulsory feed-grains program as authored by President Kennedy, Secretary of Agriculture Freeman, and Professor Cochrane.

Such a plan would go a long way toward reducing agriculture to the status of a Government-regulated public utility. It would go a long way toward destruction of the opportunity in the calling of agriculture, in the life and future of the farm.

Any government which can tightly control the supply of food is in a position where it can assume a tyrannical and all-powerful position in all other regards insofar as its citizenry is concerned. This concept is totally alien to our free-enterprise system, the system which has given us such a strategic weapon and advantage in our present battle for a free world.

Should this bill be passed by the Senate, it is my earnest hope that in the conference the provisions of the House version of the bill will prevail; that the wheat certificate plan will be stricken out, in favor of an extension of the present wheat program; that the amendment removing the 65-percent minimum price support on corn and feed grains will be deleted; and that the 1962 feed-grain program will be extended into the year 1963. Such a result is to be vastly preferred to the provisions of the bill we are now debating. It is my hope that it will be defeated, for the reasons I have cited.

There are many alternatives which are far more workable and acceptable than the pending bill. Several are pending in the Congress now. The administration and Congress will do well to discard the obnoxious compulsory management supply idea, and to work toward a solution more in keeping with the tradition and thinking of a free American agriculture with opportunity for progress.

Mr. ELLENDER. Mr. President, how much time remains available to me?

The PRESIDING OFFICER. Six minutes.

Mr. ELLENDER. Mr. President, I yield to the Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, in the Senate Committee on Agriculture and Forestry, I made the motion to strike the feed grain control program, and to report instead to the Senate the farm bill approved earlier by our committee. My motion was adopted by a vote of 9 to 8. Later, the modified wheat program was incorporated in the bill by an amendment offered by the junior Senator from Minnesota [Mr. MCCARTHY], for which I voted. As a result, the two main provisions of the bill as it came to the Senate were first, a 1-year extension of the emergency feed grain program, and second, a modified wheat allotment program.

I made my motion, which was approved by the committee, because I wanted to see a farm bill adopted at last, and to see action taken on wheat—the most serious and persistent surplus. Further, wheat has been controlled in the past; it has had an acreage allotment and marketing quota program, approved by producers in annual referenda, for many years. The essential feature of the modified program would be to limit the liability of the Government in supporting the price of wheat. It would do so by fixing the number of bushels of wheat eligible for price support at 65 to 90 percent of parity. I thought action on wheat appropriate because stocks of wheat owned by the Federal Government now amount to half the value of all price support commodities in Commodity Credit Corporation inventories, while stocks of corn are only 17 percent.

I had hoped to vote for the bill as reported by our committee for the reasons I have given, and because I have admired the efforts of our chairman, Senator ELLENDER, to secure a better farm program. But yesterday the Senate rejected by a vote of 58–23 my motion to reconsider and oppose the adoption of the Ellender amendment, and because of the implications of the amendment, I cannot vote for the bill.

The consequences of the Ellender amendment may not have been clear yesterday. We did not fully comprehend the effect of the language prohibiting the Secretary from setting price supports for the 1964 and subsequent crops of corn at a level which would increase Commodity Credit Corporation stocks of corn. The amendment was never considered in committee; there was no expression from the Department of Agriculture as to how any price support could be extended to farmers under the provision; and it was adopted immediately upon taking up the farm bill without discussion and with very few Senators present.

The amendment has been described in the press as part of a compromise offered by the chairman accompanying a 1-year extension of the emergency feed grain program for the 1963 crop of corn. But I point out that that extension was in the bill as reported by our committee, without the Ellender amendment, and was also in the bill passed by the House, so that adoption of the Ellender amendment was not necessary in order to obtain extension of the emergency feed grain program next year.

The amendment is a far more radical change than Congress enacted in 1958 after full debate, when price support for corn was reduced from 75 to 65 percent of parity. This is the situation as the farm bill goes to conference:

The Ellender amendment removes the permanent provision of law, adopted in 1958, providing price support for corn at 65 percent of parity, or 90 percent of the 3-year market average, whichever is higher. Further, it provides that price support could not be set at any level that would result in increasing Government stocks of corn. I believe the effect of the amendment will be to abandon any corn program after the 1963 crop, and to put unlimited production of corn on the free market without protection for farmers who grow corn, and without protection for producers of beef cattle, hogs, and poultry whose markets are stabilized through stabilization of the price of feed—and you know that cheap feed means cheap livestock. So the Senate bill abandons the ability of the Government to acquire corn in order to support its market price.

The House bill abandons the parity concept for corn, for it removes price support for corn at 65 percent of parity, and substitutes 80 percent of the 3-year market average—which would be about 80 cents a bushel in 1964, and perhaps 65 cents 2 years later.

Between the Senate provision abandoning Commodity Credit Corporation authority to acquire corn, unless it puts an equivalent amount onto the market, and the House provision abandoning the parity concept for corn, adoption of this farm bill means the end of any corn program in 1964, with a prospect of unlimited production of corn at ruinous prices.

I should think the effect would be to threaten any stability in beef cattle prices, hog prices, and poultry prices—unstabilizing the production and prices of all livestock.

This will be done without a referendum, such as that held in 1958, to determine whether farmers wish to abandon price support for feed grains. It is a radical change. It is a coercive effort to force adoption of the administration's compulsory control programs. In saying this I do not refer to the distinguished chairman of our committee, Senator ELLENDER, who is open, forthright and without guile. But, the language makes it mandatory for the Secretary to drive down supports—which would drive down prices of corn—and thus coerce corngrowers to accept compulsory controls. For with corn at ruinous levels, and chaos in the livestock industry, and with the administration opposed to any other program, there would be no alternative.

The Secretary and his Department of Agriculture insist upon having their compulsory programs, or chaos. This amendment could destroy the existing corn program, destroy the parity concept, and abandon Government support for farmers—at least on this greatest American crop which is basic to all livestock production—unless the Department is given the power it desires to place controls over all crops and over virtually all farmers.

I have opposed the compulsory feed grain control program for three reasons. First, the surplus of feed grains, while large in volume and value, amounts to less than 6 months' use, which may be needed in the event of drought—or even in the event that radioactive fallout prevents pasturing livestock for a time in some areas of the country. As Senators know, this is not a remote possibility. News at any time—tomorrow—could change our mind about the value of Government stocks of corn.

Second, the feed grain control program would deny some farmers the right to grow the feed required for the livestock operations on their own farms. Farmers have never approved, and have never had a program which prohibits them from raising sufficient feed for their own use. Even under the wheat program, which has had acreage allotments and marketing quotas for many years, an exception has been written into the law for farmers growing wheat fed out on the same farm.

Third, adoption of feed grain controls could lead to compulsory livestock controls, such as the Secretary proposed last year and again this year for dairy farmers. The hearings before our committee made clear that the Secretary and his assistants desire such power—another evidence of the administration's drive for power in every field.

The Department of Agriculture wanted to put its feed grain control program into effect this year, before farmers had the opportunity to study it, and consider its ultimate effects. Defeated in the Senate committee but succeeding by a narrow margin on the Senate floor, defeated in the House, defeated again in the Senate committee last month, the administration finally discovered that the Senate would not again adopt its feed grain control program—perhaps because it is becoming better understood.

Now the amendment adopted yesterday, and against which I fought, would remove from basic law any reasonable alternative to a compulsory program, and create a situation where farmers could be forced to accept a compulsory program.

Before I close, I would like to say that during my service in the Senate I have voted for strict controls on wheat, cotton, rice, and tobacco—when approved by farmers in a referendum. But I have not voted for compulsory controls on feed grains. There is a difference. The great volume of wheat, cotton, rice, and tobacco goes into the commercial market. This is true to some degree of corn, but a great proportion of corn and other feed grains is fed out on the farm, and is closely connected with the farmer's production of livestock. To deny the farmer—any farmer—the right to grow grain for his own use, is quite different from

applying strict controls on the other crops I have mentioned.

I believe farmers should have the opportunity to understand the full implications and consequences of the compulsory feed grain control program, and that they should have a reasonable alternative if they are called upon to vote on such a program. I hope hearings will be held throughout the country to give farmers a voice in this matter. For there is no reason to assume that farmers have no ideas, and that a compulsory program is the only possible solution.

The emergency feed grain program is expensive, and a better program is needed. But it is not right to force a radical departure on farmers and deny them any alternative. If farmers are given opportunity for full consideration of the compulsory feed grain program—and reasonable alternatives—and choose the program, it will be all right. But no program should be forced upon them.

I oppose the bill as amended yesterday. I will vote against it because the amendment ending any program for feed grains after next year was adopted. I hope it will be defeated.

Mr. ELLENDER. Mr. President, I yield the remainder of my time to the Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. First, Mr. President, I wish to commend the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], for his outstanding leadership in bringing this bill a second time to the Senate and for the masterful manner in which he has handled this complicated piece of legislation in the Senate. I also commend my colleagues, the majority of this body, for having supported the efforts of the chairman of the committee and its other members.

Mr. President, I wish to make a few comments in connection with the farm bill. Generally, I am pleased with what we have done, or are about to do. I had hoped we could go further, especially in the area of feed grains and dairy products. Nevertheless, we are about to pass a good farm bill, one which is designed to and will increase farm income, a bill that will reduce the cost of the farm program to the Government and the taxpayer; and will reduce surpluses and the costs associated with them.

Agriculture is moving again, Mr. President. Its path no longer is blocked by men whose theories and ideas and policies, sincere though they might have been, were not suited to the 20th century economics of American agriculture. How well I remember sitting in this Chamber for 8 years during the previous administration and seeing agricultural policies advocated and, in part, adopted, which slowly tightened the noose around the neck of the farmer. Thousands of farmers were forced off the land by these policies, but, fortunately, the Kennedy administration has revised those policies and given American agriculture new hope and vitality.

We have made a good start in helping the American family farmer to get back on his feet, Mr. President. The emergency feed grain program passed in 1961, extended in 1962, and about to be extended again this year, has contributed to the raising of farm income by more than $1 billion, and, for the first time in 8 years, we have reduced the feed grain surplus. Furthermore, farmers like this program. It is a popular program. Some of my colleagues who were so opposed to it when it was first proposed have become its champions because they realized it is a good and popular program.

It must be understood, however, that this is an emergency program and a temporary program. It never was intended to be anything else. It cannot go on working forever and ever, because it was not designed to do so. So this year, the President, who knows and understands and sympathizes with the problems of the American farmer and the taxpayer—along with the Secretary of Agriculture, who has worked night and day on the so-called farm problem, presented to Congress a feed grain program of a permanent nature. The Senate passed that program once, but our sister body turned it down and has indicated that the so-called permanent feed grain program is unacceptable.

So we have done the next best thing. We have proposed an extension of this successful feed grain program for 1 more year. But we are saying to the Secretary of Agriculture, "You come back here to the Capitol next year—early next year—and present to us a new feed grain program. We will look it over, we will hold hearings on it, and let everyone who wants to come in and testify. We will improve on it. That is what we direct you to do, Mr. Secretary." I do not envy him his job. I have known the Secretary, Orville Freeman, for a long time and I know his capacity for hard work and I know if we in the Congress direct him to present us with recommendations and a proposal for a workable feed grain program, we will receive it.

But with this extension of the current feed grain program, Mr. President, we also have amended previous legislation. We have cut the rope so there cannot be again an opportunity to place the noose around the farmer's neck. We have said to the Secretary, "Come back to us next year with a feed grain program, because we are not going back to the costly, price-depressing, surplus-building program of the Benson regime.

Mr. President, I am confident we will pass a constructive program next year because I do not think there are many of us here in the Congress, no matter where we come from, who are not thankful to the American farmer for what he has given us. Surely we want to help him attain a respectable standard of living.

Now, Mr. President, let me say a few words about food reserves. There are those who say the programs being advocated by the Kennedy administration are based upon artificial scarcity. It is absolutely necessary that we decide what are the minimum necessary reserves of food and fiber to be maintained—a defense reserve, a reserve for price stabilization, a reserve for food distribution programs, both domestic and foreign, and a reserve for commercial market requirements to maintain at all times an abundance of food for the American consumer. This administration is not advocating a program of scarcity. We are advocating a program of wise use of our production and our abundance.

It was my intention to introduce an amendment to the farm bill authorizing and directing the Secretary of Agriculture to make an annual determination of our overall food and fiber needs. I find, however, that this authority already rests with the Secretary without such an amendment. The Department has stated it proposes to maintain a continuous review of production and demand conditions and to determine periodically desirable public reserve levels for the major commodities. The Secretary has further stated that preliminary studies indicate that current stocks of wheat, feed grains, and dairy products are beyond the reserve needs for these commodities and I am hopeful, Mr. President, that we can go into this entire question of food reserves in detail during the hearings before the Senate committee.

As to the dairy problem, I am discouraged that neither the industry nor the Congress has been able to meet it. I have introduced legislation in this area, and so have many of my colleagues. Regrettably, we in the Congress have not been able to agree, and neither have those persons in the industry, on a satisfactory program. A dairy program will be a priority item in the consideration of farm legislation next year, and I am hopeful—and I know this hope is shared by the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER]—we can reach agreement and can come up with a program which will provide much-needed help to our hard-working dairy farmers.

As to the wheat marketing certificate program, Mr. President, it will reduce Government costs by about $300 million in 1964, compared with the pre-1962 program. This is both a realistic and imaginative program—one which has been in the mill for years. It will for the first time place our needs on a bushel basis rather than on acreage. The great technological advances made by American agriculture necessitate this. We no longer will produce surpluses costly both to the farmer and the taxpayer, but will be able to keep supply in balance with demand. Furthermore, farm income will rise and, as I have said, our surpluses will decline.

Mr. President, passage of title I of this bill is another important step toward the economic development of our rural areas and will assist in bringing rural income to its proper level.

The rural areas development program of the Department of Agriculture is rapidly catching on as a method of obtaining most efficient use of resources on the

one hand and in bringing important income producing resources to the people on the other.

Title I helps to clear the way for using land more efficiently and provides for conserving and developing, soil, water, forest, wildlife, and recreational resources.

The title authorizes programs of land conservation and land utilization, including the most economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation in order to correct maladjustments in land use and thus assist in controlling soil, erosion, reforestation, and enabling local public authorities to provide public recreation. The Department of Agriculture has stated that, if provided, it will use this authority immediately on a pilot basis. The results of these pilot operations will mean much in the furtherance of the rural areas development program.

The amendments contained within the bill to the Watershed Protection and Flood Prevention Act also aid in this rural development effort, in that consideration is given on a broader basis to the benefits that the watershed development can have for the local community.

Thus, in the passage of this title, we have moved forward in aiding our people in rural areas to preserve and strengthen their inheritance and have moved toward the adequate development of the rural economy.

Mr. President, we have before us a good farm bill, and it can be improved and refined and perfected. I commend the Secretary of Agriculture, who has worked so hard for this bill, the President of the United States, who also has devoted a great deal of his valuable time to it, my colleagues here in the Senate, and most especially the Senator from Louisiana [Mr. ELLENDER].

Mr. BURDICK. Mr. President, it was my earnest conviction that S. 3225, the farm bill approved by the Senate in May, laid out a path that would have dealt in a realistic and rational manner with the problems of low farm income, surplus and high Government costs. I was greatly disappointed by the defeat of that bill in the House of Representatives.

The legislation now before us is not as good a bill as S. 3225. However, out of it, we may be able to salvage a wheat certificate plan for 1964. If we can achieve this much following the wreckage of the farm bill in the House, I think we will have made considerable progress in putting agricultural legislation on a sounder footing.

Although the bill before us provides for the certificate plan to take effect for the 1963 crop year, it is technically impossilbe to put it into operation that soon, since wheat already is being planted in the winter wheat States.

For 1963, the best wheat program we can now obtain is a program similar to the one now in effect without mandatory acreage reductions. Because of the original farm bill earlier this year and subsequent delay, Secretary Freeman has had to go ahead and schedule a wheat referendum for August 30 on the basis of a permanent law, enacted in 1938, specifying a national wheat acreage allotment of 55 million acres. Since 1938, per-acre yields have doubled, and a 55-million-acre base will produce a great excess of wheat. For this reason, the Secretary has announced the support level will have to be reduced from $2 to $1.82.

What I hope can be done is for a House-Senate conference committee to agree to retain the provisions in the present wheat program calling for acreage reductions of up to 40 percent on a voluntary basis, with payments on the idled land to approximate 60 percent of the income it would normally bring.

With a reduction in wheat production through voluntary means, it is possible that increasing the support level beyond $1.82 could be justified.

A certificate plan, incorporating the principle of bushelage, which I have advocated for many years, would help farmers control supply much more precisely than present methods, involving straight acreage controls.

Under the plan, the national quota for wheat for food requirements would be set in terms of bushels. Then a farmer would be given his share of the national quota by means of certificates. He could market at a relatively high support level only the bushels for which he held certificates. He could raise additional wheat within his acreage allotments, but he would have to sell it at the price of feed grain equivalents.

The wheat certificate plan would apply an effective supply program to wheat. The cotton, rice, tobacco, and peanut programs, long recognized as successful, have been based on similar supply management techniques.

It is of vital importance to obtain a supply management plan for wheat, of course, to increase farm income. But also of great longrun importance is the need to remove objections to the farm program by reducing surplus and Government costs. I have been warning my farmers in North Dakota that many urban Congressmen are discontented with the farm program. Unless we improve it and make it more acceptable to taxpayers, they are going to vote to abolish it some day soon.

The wheat certificate plan is the outstanding feature in the farm bill before us. In continuing the voluntary feed grain program for another year, it offers the best possible temporary solution to the problems of feed grain producers. I recognize, and the bill reflects, the need for a permanent feed grain program by directing the Secretary of Agriculture to draw up a plan for presentation to Congress next year.

The PRESIDING OFFICER. All time for debate on the bill has expired.

The question is, Shall the bill pass?

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS (when his name was called). On this vote I have a pair with the senior Senator from Indiana [Mr. CAPEHART]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. KEFAUVER (when his name was called). On this vote I have a live pair with the Senator from Kentucky [Mr. MORTON]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Arizona [Mr. GOLDWATER]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. METCALF (when his name was called). On this vote I have a pair with the junior Senator from Wyoming [Mr. HICKEY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE] and the Senator from Pennsylvania [Mr. CLARK] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Idaho [Mr. CHURCH] would each vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Missouri would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Alaska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The pair of the Senator from Indiana [Mr. CAPEHART] has been previously announced by the Senator from Illinois [Mr. DOUGLAS].

The pair of the Senator from Arizona [Mr. GOLDWATER] has been previously announced by the Senator from Montana [Mr. MANSFIELD].

The pair of the Senator from Kentucky [Mr. MORTON] has been previously announced by the Senator from Tennessee [Mr. KEFAUVER].

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with

the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Missouri would vote "yea."

The result was announced—yeas 47, nays 37, as follows:

[No. 213 Leg.]

YEAS—47

Bartlett	Hill	Muskie
Burdick	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Johnston	Pearson
Carlson	Jordan, N.C.	Pell
Chavez	Kerr	Randolph
Dodd	Long, Mo.	Russell
Ellender	Long, Hawaii	Smathers
Engle	Long, La.	Smith, Mass.
Ervin	Magnuson	Sparkman
Fong	McCarthy	Talmadge
Fulbright	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Hart	Monroney	Young, N. Dak.
Hartke	Morse	Young, Ohio
Hayden	Moss	

NAYS—37

Aiken	Dirksen	Prouty
Allott	Eastland	Proxmire
Beall	Hickenlooper	Robertson
Bennett	Holland	Saltonstall
Boggs	Hruska	Scott
Bottum	Javits	Smith, Maine
Bush	Jordan, Idaho	Stennis
Butler	Keating	Thurmond
Byrd, Va.	Kuchel	Tower
Case	Lausche	Wiley
Cooper	McClellan	Williams, Del.
Cotton	Miller	
Curtis	Mundt	

NOT VOTING—16

Anderson	Douglas	Metcalf
Bible	Goldwater	Morton
Capehart	Gruening	Murphy
Carroll	Hickey	Symington
Church	Kefauver	
Clark	Mansfield	

So the bill (H.R. 12391) was passed.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Secretary of the Senate in the engrossment of the Senate substitute amendment to H.R. 12391, be authorized to correct any typographical, clerical, or printing errors that may appear.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senate bill, as passed, be printed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

DRUG INDUSTRY ACT OF 1962

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1703, S. 1552.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes, which had been originally reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Drug Industry Act of 1962".

INFORMATION ON PATENTS FOR DRUGS

SEC. 2. Section 702 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary is authorized and directed, upon request from the Commissioner of Patents, to furnish full and complete information with respect to such questions relating to drugs as the Commissioner may submit concerning any patent application. The Secretary is further authorized and directed, upon receipt of any such request, to conduct or cause to be conducted, such research as may be required."

REGISTRATION

SEC. 3. (a) Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end thereof the following section:

"REGISTRATION OF PRODUCERS OF DRUGS

"SEC. 508. (a) As used in this section—

"(1) the term 'manufacture, preparation, propagation, compounding, or processing' shall include repackaging or otherwise changing the container, wrapper, or labeling of any drug package in furtherance of the distribution of the drug from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer.

"(2) the term 'name' shall include in the case of a partnership the name of each partner and, in the case of a corporation, the name of each corporate officer and director, and the State of incorporation.

"(b) On or before December 31 of each year every person who owns or operates any establishment in any State engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs shall register with the Secretary his name, places of business, and all such establishments.

"(c) Every person upon first engaging in the manufacture, preparation, propagation, compounding, or processing of any drug in any establishment which he owns or operates shall immediately register with the Secretary his name, place of business, and such establishment.

"(d) Every person duly registered in accordance with this section shall immediately register with the Secretary any additional establishment which he owns or operates and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs.

"(e) The Secretary may assign a registration number to any person or any establishment registered in accordance with this section.

"(f) The Secretary shall make available for inspection, to any person so requesting, any registration filed pursuant to this section.

"(g) This section shall not apply to—

"(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs, or patients under the care of such practitioners in the course of their professional practice and which do not manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that registration by such classes of persons in accordance with this section is not necessary for the protection of the public health.

"(h) Every establishment registered with the Secretary pursuant to this section shall be subject to inspection pursuant to section 704 and shall be so inspected by one or more officers or employees duly designated by the Secretary at least once in the two-year period beginning with the date of registration of such establishment pursuant to this section and at least once in every successive two-year period thereafter."

(b) Section 301 of such Act (21 U.S.C. 331) is amended by adding at the end thereof the following new paragraph:

"(o) The failure to register as required by section 508."

(c) Section 502 of such Act (21 U.S.C. 352) is amended by adding at the end thereof the following new paragraph:

"(n) If it is a drug and was manufactured, prepared, propagated, compounded, or processed in an establishment not duly registered under section 508."

FACTORY INSPECTION

SEC. 4. (a) Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374 (a)) is amended to read as follows:

"(a) For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein; and

(3) in the case of any factory, warehouse, establishment, or a consulting laboratory in which prescription drugs are manufactured, processed, packed, or held, the inspection shall extend to all things therein (including records, files, papers, process, controls, and facilities) bearing on whether prescription drugs which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold, or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violation of this Act. No inspection authorized for prescription drugs by subdivision (3) of this subsection shall extend to (A) financial data, (B) sales data other than shipment records, (C) pricing data, (D) personnel data (E) data of anything in or related to research activity: *Provided, however,* That inspection of data relating to clinical experience with respect to new drugs and antibiotics within the purview of section 507 shall be made only to the extent authorized under and subject to the applicable provisions of section 505(i) and (j) and section 507(d) and (g), and with respect to other drugs shall be made in accordance with regulations to be issued by the Secretary which shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness. The provisions of subdivision (3) of this subsection shall not apply to—

"(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practioners licensed to administer such drugs, or patients under the care of such practitioners in the course of their professional practice and which do not manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that inspection as applied to such classes of persons in accordance with this section is not necessary for the protection of the public health."

(b) Section 704(b) of such Act (21 U.S.C. 374(b)) is amended by inserting after the word "warehouse" the words "consulting laboratory."

QUALITY MANUFACTURING CONTROLS

SEC. 5. Section 501(a)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351(a)(2)) is amended to read as follows:

"(2)(A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or controls used for, its manufacture, processing, packaging, or holding do not conform to current good manufacturing practice to assure that such drug meets the requirements of this Act as to safety and has the identity and strength, and meets the quality and purity characteristics, which it purports or is represented to possess. The Secretary is authorized to issue interpretative regulations, upon notice and in accordance with the procedures set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003), which shall, in any proceeding involving this paragraph, be prima facie evidence of what constitutes current good manufacturing practice."

NEW DRUG CLEARANCE PROCEDURE

SEC. 6. Section 505(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(c)), is amended to read as follows:

"(c) An application provided for in subsection (b) shall become effective on the ninetieth day after the filing thereof (or on such later date, not more than one hundred and eighty days after the filing thereof, as the Secretary deems necessary to enable him to study and investigate the application), unless, prior to such day (or prior to such later date), the Secretary issues a notice to the applicant of opportunity for hearing as to whether the application satisfies the requirements of subsection (d). The date scheduled for the commencement of such hearing, if a hearing is requested, shall be the thirtieth day after the date of service of notice in accordance with the method of service set forth in subsection (g), unless a different date is agreed upon between the Secretary and the applicant."

RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS AND ANTIBIOTICS

SEC. 7. (a) Subsection (i) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)) is amended (1) by inserting "the foregoing subsections of" after "operation of"; (2) by inserting the words "and effectiveness" after the word "safety"; and (3) by adding at the end thereof the following new sentence: "Such regulations may provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs, as the Secretary finds will enable him to evaluate the safety and effectiveness of such drugs in the event of the filing of an application pursuant to subsection (b): *Provided, however,* That regulations issued under this subsection and under subsection (j) shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary."

(b) Section 505 (21 U.S.C. 355) of such Act is amended by adding at the end thereof the following new subsection:

"(j)(1) In the case of any drug for which an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section.

"(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

(c) Subsection (d) of section 507 of such Act (21 U.S.C. 357(d) is amending by adding at the end thereof the following new sentence: "Such regulations may provide for conditioning the exemption under clause (3) upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs within the purview of this section, as the Secretary finds will enable him to evaluate the safety and effectiveness for use of such drugs within the purview of this section in the event of an application for certification or release pursuant to subsection (a): *Provided, however,* That regulations issued under this subsection and under subsection (g) shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary."

(d) Section 507 of such Act (21 U.S.C. 357) is amended by adding at the end of such section the following new subsection:

"(g)(1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug within the purview of this section, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed.

"(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

(e) Section 301(e) of such Act (21 U.S.C. 331(e)) is amended by inserting before the period at the end thereof a semicolon and the following: "or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j) or 507 (d) or (g), or the refusal to permit access to or verification or copying of any such required record".

(f) Section 302(a) of such Act (21 U.S.C. 332(a)) is amended by striking out "(e),".

EFFECTIVENESS

SEC. 8. (a) Section 505(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)) is amended by inserting therein immediately after the words "is safe for use", the words "and whether such drug is effective in use."

(b) Section 505(d)) of such Act (21 U.S.C. 355(d is amended to read as follows:

"(d) If the Secretary finds, after due notice to the applicant in accordance with subsection (c) and giving him an opportunity for a hearing, in accordance with said subsection, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reaonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such

also reportedly threatened. Eliminating this deduction would remove a substantial incentive toward homeownership. It could also curb the home construction industry, upon which a sizable share of our hopes for prosperity and economic growth rests.

Still another change said to be under consideration would limit deductions for medical expenses even more than they are today. Such deductions help to relieve the burden of unforeseeable—but seldom postponable—outlays, which are often large in amount. To restrict medical deductions still further might well lead to greater demands for additional governmental medicare programs involving unnecessary costs, redtape, and controls.

There are reports that an attempt may be made to curtail the deduction for contributions to charitable, educational, scientific and religious nonprofit organizations. This could be another step toward greater Federal spending. If such contributions are discouraged, these nonprofit organizations will have to curtail their activities or appeal to the Federal Government to step in, provide funds, and, of course, control what is being spent.

Present treatment of capital gain income appears also to be under threat. Even now, section 13 of the proposed Revenue Act of 1962 would classify as ordinary income for tax purposes certain income treated at present as capital gain. Additional proposals may be in the offing to broaden this provision further, which would be limited to tangible personal property—other than livestock—and depreciable real property—other than buildings and structural components. In addition, there may be proposals to lengthen the holding period for long-term capital gains, and to raise the tax rate on capital gains.

The present 6-month holding period to qualify for long-term capital gain treatment was put into the law some 20 years ago after years of experimenting with longer and more elaborate holding periods. These longer holding periods inhibited sales, because they favored the party that held on to its property the longest. The net result was a tendency to keep properties off the market. Supply and demand were accordingly distorted, and the efficiency of our economic system was reduced.

Although such results may be contemplated with any type of capital-gains provision, they were intensified before the holding period was simplified and reduced to a flat 6 months. Obviously, the situation would be complicated either by increasing the capital gains rate or by lengthening the holding period.

Virtually every developed country, except the United States, exempts the nonbusiness capital gains of individuals. This is true of Canada, England, and all the Western European countries except Denmark and a few Swiss cantons. In recent years, the present tax on capital gains has been particularly inequitable because ostensible gains often represented price inflation, with little or no real gain in terms of additional purchasing power.

Attacks on capital gains are reported to center on a number of important items now eligible for capital gain treatment. The items threatened include income received as coal royalties, stock options exercised by employees of corporations, and income that farmers receive from selling timber and breeding stock. All these items, however, have long been eligible for capital gains treatment under present laws. These laws were carefully considered by both the legislative and executive branches of the Government before being enacted.

The same considerations, of course, apply to other features of current tax provisions. All represent the outcome of detailed study and years of experience. Deductions for interest and taxes and allowances for casualty losses are as old as the Civil War income tax of 1861–72. Allowances for philanthropic contributions were first permitted in 1917. Deductions for medical and dental expenses were added in 1942. None should be changed without fully considering the inequities likely to arise and the costs likely to be incurred.

Mr. President, the purported tax-reform proposals I have discussed are by no means the only ones that have been publicly mentioned. But whatever combination of tax-reform measures eventually comes forth, we can be sure that it will be baited with the promise of a tax reduction.

Once a tax reform-tax cut measure has passed, however, we cannot be sure that we will see the end of the matter. Within a year or so the administration may be back with a request for heavier taxes in the middle and upper income brackets in order to offset some of the budget deficit resulting from increased spending programs and reduced tax revenues. In that event, the bait of a tax reduction next year to sweeten tax reforms will turn out to be sour, indeed. There is but one sound basis on which to premise a tax cut—reduce spending and balance the budget.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I commend the Senator from Virginia on his very strong emphasis on a sound fiscal policy in his speech. This is one of several speeches the Senator from Virginia has given in which he has hammered away on the theme of fiscal responsibility particularly in times of prosperity; and the necessity for us to raise enough revenue to come close to balancing the budget. If we cannot do it now, when will we be able to do it?

Mr. ROBERTSON. We now have a gross national product estimated to be up at $555 billion a year. That is an alltime high. We have a national produced income which is also at an alltime high. Yet, as I pointed out, we will certainly have, without any tax cut, a deficit which will range anywhere from $3 billion to $6 billion in the current fiscal year, depending on the number of new schemes that are put into effect, including the wage proposal pending in the House, amounting to $1,500 million a year for increases in Federal pay which will be retroactive to July 1.

If we pass a tax cut in any amount such as that which the labor unions are recommending, running up to $10 billion, there will be the biggest peacetime deficit in history and the worst inflation we have ever had, except immediately after a major war.

Mr. PROXMIRE. Did I not hear the Senator from Virginia say that there is already a reduction of $1,500 million in revenue as a result of the depreciation adjustment of this year?

Mr. ROBERTSON. That is correct. The bill to be considered will give credit, again, of more than a billion dollars by reason of the 7-percent depreciation on new investments. This will be in effect without any new tax cut.

I mentioned a number of spending schemes that have not been acted on yet, but which could be enacted. One of those I did not mention is mass transportation. It is expected that the Policy Committee will bring up that bill. That will cost $500 million, and it is not even included in the budget.

So we must look very closely to see where we are going and what will happen.

Taxes are burdensome; there can be no question about that. The Senator from Wisconsin and I earnestly hope that we may live to see the day when we can conscientiously vote to reduce taxes; but we believe that a balanced budget should come first and that we should not pay for a tax cut in borrowed dollars.

PRESENT INDICATORS CONFIRM WISDOM OF NO QUICKIE TAX CUT

Mr. PROXMIRE. Mr. President, I follow up my colloquy with the Senator from Virginia by saying that the Joint Economic Committee just completed today a series of extensive hearings. Some of the finest economists in our country and some of the top economic policy advisers of the President of the United States testified. Their conclusion is that there is no question that the economy is moving too slowly. There is no question that it should grow more rapidly than it is growing. But there is a serious and profound question as to whether we should stimulate the economy by reducing taxes.

The Senator from Virginia was correct in stating that our economy is expanding at a time when we have a deficit, and when we know and are absolutely certain that there will be a deficit in this fiscal year, and that deficit is going to be a big one.

The administration has already reduced taxes by $1,500 million. The bill to come before us will reduce taxes another $1 billion. The recommendation of the President is that beginning on January 1, there be a further substantial across-the-board tax cut.

This certainly means that we will have a huge deficit for fiscal 1963, a year in which we feel, and the economic ad-

visers who appeared before the committee seem to feel, generally, there would be a prosperous period.

The New York Times this morning states that the indicators for July were better than they have been for any month since February.

The position of the President of the United States, against a quickie tax cut this year, has, to that extent, been vindicated.

PROXMIRE EXPLAINS "NO" VOTE ON THE FARM BILL

Mr. PROXMIRE. Mr. President, today I voted against the farm bill. I did so with a heavy heart. I am a member of the Committee on Agriculture and Forestry. I favored the bill as it was reported by the committee. I thought it was a good bill. I voted against it only because it contained a provision with respect to feed grains which provides that after the present emergency retirement provision for feed grains expires at the end of 1963, unless Congress acts next year, there will be 0 to 90 percent price support on feed grain, with the additional provision, however, that the Secretary of Agriculture is prohibited from setting that price support at a level which will result in the acquisition of stocks for the Commodity Credit Corporation.

What this means, on the basis of my inquiry of the Department of Agriculture, is that price supports will be at 43 percent of parity.

That could mean 70-cent corn. It could mean 8-cent hogs. It will mean utter disaster on the farms. Of course, that will not actually happen because we will have a new act in 1963. But the difficulty is that all Senators and Members of the House will have their feet to the fire—will be under pressure to report a measure which will conform with legislation on feed grains that passed the Senate earlier this year, legislation which I think was extremely ill advised. We can have mandatory supports of this kind in other areas. When they are applied to the feed grains we will be in trouble, because 85 percent of the farmers who grow feed grain, feed it on the farm.

There is every evidence that a heavy negative vote will take place when this question is submitted to a referendum. I feel certain that the dairy farmers will vote against such a program. Their economic interests would persuade them to vote against it. If one-third of the farmers involved vote against it, there will be no program at all.

Having no program would mean very low prices and farm disaster, and that would be followed by economic disaster for America.

Therefore, although I recognize that the other four titles, of the five titles in the farm bill, are sound, I had to vote against the farm bill.

NOW TITO CRACKS DOWN ON FAMILY FARM IN YUGOSLAVIA

Mr. PROXMIRE. Mr. President, a month or so ago the Senate and the House approved a foreign aid authorization bill which included aid to Yugoslavia. I opposed that bill, and especially that provision in the bill, as strongly as I could. We who opposed that provision seemed to prevail, temporarily, in the Senate. However, the conference struck out that provision, and aid to Yugoslavia was included in the bill which finally passed the Senate.

Since that time I have placed in the RECORD a series of articles written by Paul Underwood, an excellent reporter, and Belgrade correspondent of the New York Times. Mr. Underwood has reported that since that date Tito has reduced the area of freedom for Yugoslav citizens in one part of their life after another, including freedom of speech, freedom of press, freedom of craftsmen to practice economic freedom.

This morning the New York Times has published one of the most telling articles of all. In the article, Mr. Underwood states that whereas Yugoslavia has taken steps to reduce wages sharply, although they are now very, very low, the Yugoslav Government has also taken steps to build a road into Bulgaria, so as to have a closer connection with the Soviet Union, with the Iron Curtain countries and with Khrushchev. Mr. President, much of the muscle which made possible the building of that road has been obtained from our lavish $2 billion foreign aid.

This morning's article is most depressing. Mr. Underwood states:

> In the midst of its third straight unsatisfactory harvest, the Tito regime has decided to take direct action to enlarge the "Socialist sector" of Yugoslav agriculture.
>
> The specific target will be the thousands of peasants who work at other jobs in addition to taking care of small landholdings.
>
> On the basis of what spokesmen have said, it is evident that the regime plans to use taxation to force the peasants to choose between being workers or farmers. There appears to be an assumption by the Government that those choosing farming would have to joint agricultural cooperatives to maintain their standard of living.
>
> The regime's long range goal is the complete socialization of the countryside. But it also has a short-term aim of quickly increasing the size of the Socialist sector.

The great economic success story of America has been in agriculture. Here is where we have been beating the Communists all over the world. It has become common knowledge on the part of thousands of peasants and workers in country after country that when communism takes control, whether in Cuba or East Germany or China, hunger follows. Wherever the United States moves in, with our free system, economic abundance follows, with the prospect of a full life.

I hope that in the future, when aid to Yugoslavia is proposed, we will recognize the kind of regime with which we are dealing and the kind of action taken by Tito. Not only has he alined himself with the Soviet Union, he has suppressed liberty and freedom in Yugoslavia and is obviously making of his country a typical Khrushchev-type Communist dictatorship.

Mr. President, I ask unanimous consent that the article entitled "Yugoslavs Seek To Improve Farming Efficiency," written by Paul Underwood, and published in the New York Times of today, be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Without objection, it is so ordered.

YUGOSLAVS SEEK TO IMPROVE FARMING EFFICIENCY

(By Paul Underwood)

BELGRADE, YUGOSLAVIA, August 15.—In the midst of its third straight unsatisfactory harvest, the Tito regime has decided to take direct action to enlarge the "Socialist sector" of Yugoslav agriculture.

The specific target will be the thousands of peasants who work at other jobs in addition to taking care of small landholdings. The regime complains that these peasants, who are said to hold about 35 percent of the nation's arable land, neglect farming in favor of their other work and thus thwart efforts to modernize agriculture.

On the basis of what spokesmen have said, it is evident that the regime plans to use taxation to force the peasants to choose between being workers or farmers. There appears to be an assumption by the Government that those choosing farming would have to join agricultural cooperatives to maintain their standard of living.

The Government is preparing a carrot as well as a stick to help promote cooperative membership. Guaranteed prices for key farm crops have been raised 18 to 43 percent. For individual peasants, two-thirds of the increased income resulting from the higher prices would be subject to taxation. However, this provision will not apply to the Socialist sector.

In Yugoslavia, individual farm holdings are limited to 10 hectares (about 25 acres). The average peasant plot is less than half that size.

State farms and Soviet-style collectives take up only about 10 percent of the nation's arable land. In the past, the Tito regime tried to force collectivization on the peasants. However, in 1953 it had to admit defeat and permit the dissolution of all but a handful of the collectives that had been formed.

The regime has followed a policy of waiting for economic pressures to drive more of the peasants to the cities and permit the Socialist sector to take over their lands.

As a means of promoting modern methods of agriculture and so gaining bigger crops during that interim period, the Government has been supporting the formation of what are called general cooperatives.

These are similar to farm cooperatives in the West. The general cooperatives have machinery with which they will cultivate individual farmers' fields under contract. They also supply seed and fertilizer and will market peasants' crops.

However, for several reasons, including the fact that most peasants are suspicious that these cooperatives are only the opening wedge of another Government effort to collectivize them, the countryside has been less than enthusiastic about the arrangement.

The total area included in the cooperatives is only about 1,729,000 acres, or about 7 percent of the country's arable land. Adding to this the state farms and remaining collectives gives a total for the Socialist sector of 5,846,000 acres.

Because of better production methods, more fertilizer, better seeds and, on state farms at least, a disregard of actual costs, the Socialist sector shows a higher return per acre than do the private farmers. On some crops in some years the difference is as much as two or three times.

The regime's long-range goal is the complete socialization of the countryside. But it also has a short-term aim of quickly increasing the size of the Socialist sector.

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 22, 1962

Ordered to be printed with the amendment of the Senate

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Food and Agriculture Act of 1962".~~

TITLE I—LAND USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(c) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (in-

cluding crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, and wildlife resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided,* That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Pro-*

vided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build

industrial parks or establish private industrial or commercial enterprises."

(b) Section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended by amending subsection (c) thereof to read as follows:

"(c) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

SEC. 103. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity.

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such

works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for

anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connec-

tion with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan

and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and

related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private

trade; thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: "except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;"

(4) Section 405 is amended to read as follows:

"In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis."

(5) Section 406 is amended by inserting after the word "Sections" the following: "101 (b) and (c)".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be donated for school lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-

lunch programs in the United States. Such programs shall not extend beyond June 30, 1964.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—1963 FEED GRAIN PROGRAM

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "90" and inserting "80" and by striking out the colon and the proviso thereof and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided*, That no producer of malting barley shall be required to participate in such special agricultural

conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to desig-

nated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on

the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 45 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums and barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield

per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105 (c) (6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g) (1), barley shall not be included in the program for

a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains

and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SUBTITLE B—1963 WHEAT PROGRAM

SEC. 310. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each

old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment for fifty-five million acres shall be reduced by 10 per centum."

SEC. 311. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production

of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual pro-

duction shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller

of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(c) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1963."

SEC. 312. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

SEC. 313. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for

the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and other annual field crops except table vegetables for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted

acreage, subject to the provisions of subsection (b) (4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959,

~~1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.~~

~~(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame, other annual field crops except table vegetables for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section.~~

~~(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments~~

in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment in kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops, except table vegetables for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be

at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of four times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided,* That (i) 50 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a),

and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation pro-

gram or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

~~(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.~~

~~(k) Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—~~

~~(1) by striking out "after reduction in the case of the 1962 crop as required by section 334(c)(2)" and inserting the following: "after reduction as required by section 334(c) (2) or (3)", and~~

~~(2) by striking out "the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961" and inserting the following: "the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962".~~

~~(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—~~

~~(1) by inserting the following sentence immediately following the seventh sentence thereof: "The special~~

wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection."; and

(2) by striking out of the last sentence the following: "or 1963".

SUBTITLE C—DAIRY

SEC. 320. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending June 30, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending June 30, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending June 30, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 321. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree

to reduce, during any one or more quarterly marketing periods starting October 1, 1962, and ending June 30, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 322 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings

below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 322. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 321 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit

Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 323. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 324. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history un-

der any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 325. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 326. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal

such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 327. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines

practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 328. Notwithstanding any other provision of law, whenever any price support or surplus removal operation for milk, butterfat, or the products of such commodities is carried out through purchases of or loans on the products of milk or butterfat, the Secretary shall require, as a condition of such purchase or loan, certification that the milk or butterfat from which such product was made was acquired from producers at not less than the support price therefor.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inseritng in section 306(a) after the words

~~"soil conservation practices" the words "shifts in land use including the development of recreational facilities";~~

~~(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000";~~ ~~and~~

~~(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".~~

~~SEC. 402. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.~~

That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection

(b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and

services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such

history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement

of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands."

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the

State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public

fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-

way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through

long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: Provided, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the

Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

TITLE III—COMMODITY PROGRAMS

Subtitle A—1963 Feed Grain Program

Sec. 301. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producer shall participate in the special agricultural conservation program for 1963 for barley to the

extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided further, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage

devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) Notwithstanding any other provisions of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectivcly, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in

section 105(c)(6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in the special agricultural conservation program of 1963 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105(c)(6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for payments in

cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sor-

ghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in

carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. The Agricultural Act of 1949, as amended, is

amended by inserting after the third sentence of section 407 the following: "Effective with the beginning of the marketing year for the 1964 crop of such commodity, the minimum sales price for sales of corn, oats, rye, barley, and grain sorghums from stocks of Commodity Credit Corporation shall be 65 per centum of the parity price for such commodity as of the beginning of the marketing year, plus reasonable carrying charges."

SEC. 305. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SEC. 306. (a) The Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b) of section 105 and inserting in lieu thereof the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not to exceed 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

(b) The Secretary of Agriculture is directed to consult

and advise with farmers, farm organizations, and such other persons or groups of persons as he determines concerning the need for new legislation for feed grains, to the extent he deems such consultation and advice necessary or desirable, and to make specific recommendations for feed grains in the form of proposed legislation which shall be submitted to the Congress as soon as practicable during the next session of Congress.

SUBTITLE B—WHEAT

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be

grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of

adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national market-

ing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the

Secretary determines to be necessary to assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by

redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five

years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in

the three years in which the acreage was highest during the five-year period 1957–1961, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for

farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of

wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a)(1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the

producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the

penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addi-

tion to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summar fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for

the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to

producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such

regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be

an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for

any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) by amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase

"upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons

entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per

acre of rice" the following: "or wheat, as the case may be,";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to

programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat

producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage

allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) *The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the*

marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face

value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"MARKETING RESTRICTIONS

"SEC. 379. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to

require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such

commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for

any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such

records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. *(a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.*

"*(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.*

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than

$10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. *The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.*"

SEC. 325. *The Agricultural Act of 1949, as amended, is amended as follows:*

(1) By inserting after section 106 the following new section:

"SEC. 107. *Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—*

"*(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),*

"*(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in*

relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101, and

"(5) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat

produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided, That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities.";

(2) By inserting in section 306(d) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities,"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000";

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

SEC. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the

preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration', in the Department of Agriculture appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Money in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts

previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

SEC. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

SEC. 404. It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer owned and operated associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

SEC. 405. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain

maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 406. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": Provided, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

SEC. 407. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest."

SEC. 408. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

DECLARATIONS AND FINDINGS

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber, by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their

uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and by-products. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new

and extended markets and outlets for farm products and by-products will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

AGRICULTURAL RESEARCH AND INDUSTRIAL USE ADMINISTRATION

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks

of commodities owned by the Commodity Credit Corporation.

SALARIES

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS–18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: Provided, That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

POWERS AND DUTIES

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordi-

nate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or byproduct uses. The Commodity Credit Corporation with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Gov-

ernment agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: Provided, however, That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

TRANSFER OF GOVERNMENT PLANTS

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: Provided, That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

DEFINITION OF "AGRICULTURAL PRODUCTS"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

ANNUAL REPORT

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

SAVINGS PROVISION

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

APPROPRIATIONS

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Passed the House of Representatives July 19, 1962.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with an amendment August 22, 1962.

Attest: FELTON M. JOHNSTON,
Secretary.

87TH CONGRESS
2D SESSION

H. R. 12391

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 22, 1962

Ordered to be printed with the amendment of the Senate

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 28, 1962
For actions of August 27, 1962
87th-2d, No. 153

CONTENTS

Appropriations.....5
Buildings.....6
Casein.....38
Communications.....20
Economy.....8,12
Education.....9
Electrification.....13,23
FAO.....36
Farm program.....3,14,27
Federal aid.....21
Federal Register.....11
Food for peace.....29
Forestry.....1
Handbook.....3
Hazardous work.....24
Holiday.....35
Housing.....18
Information.....30
Intergovernmental Relations.....16
Loans.....19,21
Lumber.....33
Milk.....4
Newsprint.....26
Opinion polls.....28
Parks.....22
Peace Corps.....34
Personnel.....9,24,31
Public works.....25,32
Purchasing.....37
REA.....23
School lunch.....2
Tariffs.....38
Taxation.....7
Tobacco.....17
Transportation.....8
Weather.....10
Wheat agreement.....15
World Food Congress.....36

HIGHLIGHTS: Rep. Avery objected to request to appoint conferees on farm bill. House passed bill to extend International Wheat Agreement. House subcommittees voted to report bills for cooperation with States in administration of Federal laws, to increase FHA loan limitation, and for lease and transfer of tobacco acreage allotments. House passed bill for housing for elderly in rural areas. Sen. Morse commended study of Federal rangelands. Sen. Humphrey expressed concern over effects of radioactive fallout on milk. Sen. Wiley urged issuance of handbook on farm laws. Senate committee voted to report measure for designation of National School Lunch Week. Senate committee reported independent offices appropriation bill. Sen. Fulbright introduced and discussed bill for holding World Food Congress.

SENATE

1. FORESTRY. Sen. Morse commended the joint USDA-Interior study of Federal rangelands. p. 16669

2. SCHOOL LUNCH. The Judiciary Committee voted to report (but did not actually report) S. J. Res. 211, providing for the designation of a week each year as National School Lunch Week. p. D772

3. FARM PROGRAM. Sen. Wiley renewed his request for this Department to prepare a "simplified handbook on farm laws and programs," and inserted a letter from USDA on the problems involved in preparation of such a handbook. pp. 16667-8

4. MILK. Sen. Humphrey urged a ban on the testing of nuclear weapons, stated that last week dairy farmers in Minn. removed their cows from pasture because of the mounting accumulation of radioactive iodine 131 in local milk supplies, and inserted an article, " Minnesota Acts on Iodine in Milk." pp. 16741-7

5. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12711 (S. Rept. 1923). p. 16655

6. BUILDINGS. The Foreign Relations Committee reported with amendment H. R. 11880, to authorize additional appropriations for the acquisition of sites and building in foreign countries for use by U. S. personnel (S. Rept. 1925). p. 16655

7. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962. pp 16672-5, 16676-735, 16748-9
Sens. Gore, Sparkman, and Cannon submitted amendments intended to be proposed to this bill. p. 16657

8. TRANSPORTATION. Sen. Kefauver stated that current proposals for railroad mergers is "one of the broadest and boldest attempts at economic concentration in the history of our Nation." pp. 16735-40

9. EDUCATION; PERSONNEL. Sen. Proxmire expressed concern over the decrease in college graduates in the field of engineering and inserted an article, "Government, Profession Seek Reasons for Drop in Student Enrollments." pp. 16658-60

10. WEATHER. Both Houses received from the President the National Science Foundation report on weather modification for fiscal year 1961 (H. Doc. 534). pp. 16654, 16637

11. FEDERAL REGISTER. Both Houses received from GSA a proposed bill "to amend further section 11 of the Federal Register Act, as amended"; to S. Government Operations and H. Judiciary Committees. pp. 16652, 16655

12. ECONOMY. Sen. Proxmire compared the growth of our economy with those of certain European countries and inserted an article, "Myrdal Calls United States Stagnant Economy." p. 16658

13. ELECTRIFICATION. Sen. Metcalf termed "grossly misleading and erroneous" a leaflet of the Mont. Power Co. "purporting to show that the proposed Knowles multipurpose project on the Flathead River is economically unsound," and inserted figures to support his position. pp. 16661-4

HOUSE

14. FARM PROGRAM. Rep. Avery objected to a unanimous consent request by Rep. Cooley to send H. R. 12391, the proposed Food and Agriculture Act of 1962, to conference. p. 16615

15. WHEAT. Passed under suspension of the rules S. 3574, to extend the International Wheat Agreement Act of 1949 so as to extend the authority granted under the act to cover any new or revised wheat agreement. This bill will now be sent to the President. pp. 16632-5

16. INTERGOVERNMENTAL RELATIONS. The Subcommittee on Departmental Oversight of the Agriculture Committee voted to report to the full committee with amendments H. R. 12802, to provide further for cooperation with States in administration and enforcement of certain Federal laws. p. D773

gency in adopting this legislation arises from the need to press our advantage. We cannot afford the luxury of inaction which might permit hostile powers to overtake the lead we now hold in space communications.

Mr. Speaker, the Congress released the full force and power of the Government into space research 4 years ago in the National Aeronautics and Space Act of 1958, in which we declared that—

It is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind.

We are beginning now to see the results and the wisdom of that action. Four of our astronauts have been to space and returned, two have orbited the earth. A Tiros weather satellite, as I speak today, is maintaining constant surveillance for hurricanes. Countless lives have been saved, and millions of dollars in property preserved by that application of space science.

H.R. 11040 provides a model for cooperation between the Federal Government and private enterprise for the benefit of every American citizen. Private industry already has demonstrated its capacity to refine and build on the existing body of research and knowledge in the space field. This bill continues the practice, aiming at new horizons of achievement.

Today we have the opportunity to open a whole new area of applied space science. We have the opportunity to enhance American prestige. We have the opportunity to create greater world harmony through understanding. We have the opportunity and, with it, we have the responsibility. We must meet and accept both.

The SPEAKER. The question is on the motion of the gentleman from Arkansas, that the House suspend the rules and pass the bill House resolution 769.

Mr. SPRINGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 372, nays 10, not voting 53, as follows:

[Roll No. 203]

YEAS—372

Abbitt	Berry	Church
Abernethy	Betts	Clancy
Addabbo	Boggs	Clark
Albert	Boland	Cohelan
Alexander	Bolton	Colmer
Alford	Bonner	Conte
Alger	Bow	Cook
Anderson, Ill.	Brademas	Cooley
Andrews	Bray	Corbett
Anfuso	Breeding	Corman
Ashbrook	Brewster	Curtin
Ashley	Bromwell	Curtis, Mo.
Ashmore	Brooks, Tex.	Daddario
Aspinall	Broomfield	Dague
Auchincloss	Brown	Daniels
Avery	Broyhill	Davis, John W.
Ayres	Bruce	Davis, Tenn.
Bailey	Buckley	Delaney
Baker	Burke, Ky.	Dent
Baldwin	Burke, Mass.	Denton
Barrett	Burleson	Derounian
Barry	Byrne, Pa.	Derwinski
Bass, Tenn.	Byrnes, Wis.	Devine
Bates	Cahill	Diggs
Battin	Carey	Dingell
Becker	Casey	Dole
Beckworth	Cederberg	Dorn
Beermann	Celler	Dowdy
Belcher	Chamberlain	Downing
Bell	Chelf	Doyle
Bennett, Fla.	Chenoweth	Dulski
Bennett, Mich.	Chiperfield	Durno
Dwyer	Knox	Rhodes, Pa.
Edmondson	Kornegay	Riehlman
Elliott	Kunkel	Riley
Everett	Kyl	Rivers, Alaska
Fallon	Laird	Rivers, S.C.
Farbstein	Landrum	Roberts, Ala.
Fascell	Lane	Roberts, Tex.
Feighan	Langen	Robison
Fenton	Lankford	Rodino
Finnegan	Latta	Rogers, Colo.
Fino	Lennon	Rogers, Fla.
Fisher	Lesinski	Rogers, Tex.
Flood	Libonati	Rooney
Flynt	Lindsay	Rostenkowski
Fogarty	Lipscomb	Roudebush
Ford	Loser	Roush
Forrester	McCulloch	Rousselot
Fountain	McDonough	Rutherford
Frelinghuysen	McFall	Ryan, Mich.
Friedel	McIntire	St. George
Fulton	McSween	St. Germain
Gallagher	MacGregor	Santangelo
Garmatz	Mack	Saylor
Gary	Madden	Schadeberg
Gathings	Magnuson	Schenck
Gavin	Mahon	Schneebeli
Giaimo	Mailliard	Schweiker
Gilbert	Marshall	Schwengel
Glenn	Martin, Mass.	Scott
Goodell	Martin, Nebr.	Scranton
Goodling	Mathias	Selden
Grant	Matthews	Shelley
Gray	May	Shipley
Green, Pa.	Meader	Short
Griffin	Michel	Shriver
Griffiths	Miller, Clem	Sibal
Gross	Miller, George P.	Sikes
Gubser	Miller, N.Y.	Siler
Hagan, Ga.	Milliken	Slack
Hagen, Calif.	Mills	Smith, Calif.
Haley	Minshall	Smith, Iowa
Halleck	Moeller	Smith, Va.
Halpern	Monagan	Spence
Hansen	Montoya	Springer
Harding	Moore	Stafford
Hardy	Moorehead, Ohio	Staggers
Harris	Moorhead, Pa.	Steed
Harrison, Va.	Morgan	Stephens
Harrison, Wyo.	Morse	Stratton
Harsha	Mosher	Stubblefield
Harvey, Ind.	Moss	Sullivan
Harvey, Mich.	Moulder	Taber
Hays	Multer	Taylor
Healey	Murphy	Teague, Calif.
Hechler	Murray	Teague, Tex.
Hemphill	Natcher	Thomas
Henderson	Nedzi	Thompson, N.J.
Herlong	Nelsen	Thompson, Tex.
Hiestand	Nix	Thomson, Wis.
Hoeven	Norblad	Thornberry
Hoffman, Ill.	Norrell	Toll
Holifield	Nygaard	Tollefson
Holland	O'Brien, N.Y.	Trimble
Horan	O'Hara, Ill.	Tuck
Hosmer	O'Hara, Mich.	Tupper
Huddleston	O'Konski	Udall, Morris K.
Hull	Olsen	Vanik
Ichord, Mo.	O'Neill	Van Pelt
Inouye	Osmers	Van Zandt
Jarman	Ostertag	Vinson
Jennings	Passman	Waggonner
Jensen	Patman	Wallhauser
Joelson	Pelly	Walter
Johansen	Perkins	Watts
Johnson, Calif.	Pfost	Weaver
Johnson, Md.	Philbin	Weis
Jonas	Pike	Westland
Jones, Ala.	Pillion	Whalley
Jones, Mo.	Pirnie	Wharton
Judd	Poff	Whitener
Karsten	Price	Whitten
Karth	Pucinski	Wickersham
Kearns	Purcell	Widnall
Kee	Quie	Williams
Keith	Rains	Willis
Kelly	Randall	Winstead
Keogh	Ray	Wright
Kilgore	Reece	Yates
King, Calif.	Reifel	Young
King, N.Y.	Reuss	Younger
King, Utah	Rhodes, Ariz.	Zablocki
Kirwan		Zelenko
Kluczynski		

NAYS—10

Gonzalez	Poage	Sheppard
Green, Oreg.	Roosevelt	Ullman
Johnson, Wis.	Rosenthal	
Kastenmeier	Ryan, N.Y.	

NOT VOTING—53

Adair	Baring	Bolling
Andersen, Minn.	Bass, N.H.	Boykin
Arends	Blatnik	Cannon
	Blitch	Coad
Collier	Granahan	O'Brien, Ill.
Cramer	Hall	Peterson
Cunningham	Hébert	Pilcher
Curtis, Mass.	Hoffman, Mich.	Powell
Davis, James C.	Kilburn	Saund
Dawson	Kitchin	Scherer
Dominick	Kowalski	Seely-Brown
Donohue	McDowell	Sisk
Dooley	McMillan	Smith, Miss.
Ellsworth	McVey	Thompson, La.
Evins	Macdonald	Utt
Findley	Mason	Wilson, Calif.
Frazier	Merrow	Wilson, Ind.
Garland	Morris	
	Morrison	

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was passed.

The Clerk announced the following pairs:

Mr. Powell with Mr. Adair.
Mr. Frazier with Mr. Kilburn.
Mr. James C. Davis with Mr. Cramer.
Mr. Morrison with Mr. Arends.
Mr. Kitchin with Mr. Collier.
Mr. O'Brien of Illinois with Mr. Ellsworth.
Mr. Pilcher with Mr. Wilson of California.
Mr. Evins with Mr. Hall.
Mr. Hébert with Mr. Andersen of Minnesota.
Mr. Saund with Mr. Cunningham.
Mr. Morris of New Mexico with Mr. Wilson of Indiana.
Mr. Bolling of Missouri with Mr. Findley.
Mr. Sisk with Mr. Utt.
Mr. Peterson with Mr. Dooley.
Mr. Baring with Mr. Seely-Brown
Mr. Thompson of Louisiana with Mr. Merrow.
Mr. McMillan with Mr. Bass of New Hampshire.
Mr. Blatnik with Mr. McVey.
Mr. Kowalski with Mr. Curtis of Massachusetts.
Mr. Cannon with Mr. Mason.
Mr. McDowell with Mr. Scherer.
Mr. Donohue with Mr. Dominick.
Mrs. Granahan with Mr. Garland.
Mr. Macdonald with Mr. Hoffman of Michigan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes," with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. AVERY. Mr. Speaker, I object.

SENIOR CITIZENS HOUSING ACT OF 1962

Mr. RAINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R.

12628) to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low- and moderate-cost housing, both urban and rural, for the elderly.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizens Housing Act of 1962".

SEC. 2. The Congress finds that there is a large and growing need for suitable housing for older people both in urban and rural areas. Our older citizens face special problems in meeting their housing needs because of the prevalence of modest and limited incomes among the elderly, their difficulty in obtaining liberal long-term home mortgage credit, and their need for housing planned and designed to include features necessary to the safety and convenience of the occupants in a suitable neighborhood environment. The Congress further finds that the present programs for housing the elderly under the Housing and Home Finance Agency have proven the value of Federal credit assistance in this field and at the same time demonstrated the urgent need for an expanded and more comprehensive effort to meet our responsibilities to our senior citizens.

SEC. 3. (a) Section 202(a)(4) of the Housing Act of 1959 is amended by striking out "$125,000,000" and inserting in lieu thereof "$225,000,000".

(b) Effective with respect to applications for loans under section 202 of the Housing Act of 1959 made after the date of the enactment of this Act—

(1) section 202(d)(1) of such Act is amended by striking out "(A)", and by striking ", and (B)" and all that follows and inserting in lieu thereof a period;

(2) section 202(d)(7) of such Act is amended by striking out all that follows "new structures" and inserting in lieu thereof a period; and

(3) section 202(d)(8) of such Act is amended by striking out "(A)", and by striking out ", and (B)" and all that follows and inserting in lieu thereof a period.

SEC. 4. (a)(1) Section 501 of the Housing Act of 1949 is amended—

(A) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following: ", and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.";

(B) by inserting at the end of subsection (b) the following new paragraph:

"(3) For the purposes of this title, the term 'elderly persons' means persons who are 62 years of age or over."; and

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following: ", or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use".

(2) Section 502(a) of such Act is amended by adding at the end thereof the following new sentence: "In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicants repayment ability."

(b) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

"SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202(a)(3) of the Housing Act of 1959; and

"(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed $50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

"(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed $100,000 or the development cost or the value of the security, whichever is least;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;

"(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

"(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed $10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

"(5) no loan shall be insured under this subsection after June 30, 1964.

"(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

"(d) As used in this section—

"(1) the term 'housing' means new or existing housing suitable for dwelling use by elderly persons or elderly families;

"(2) the term 'related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

"(3) the term 'elderly persons' means persons who are 62 years of age or over; and the term 'elderly families' means families the head of which (or his spouse) is 62 years of age or over; and

"(4) the term 'development cost' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section."

(c)(1) Section 511 of the Housing Act of 1949 is amended—

(A) by striking out "section 504(b)" and inserting in lieu thereof "section 504(b) or 515(a)"; and

(B) by striking out "$650,000,000" and inserting in lieu thereof "$700,000,000, of which $50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a)".

(2) Section 506(a) of such Act is amended by striking out "section 514" each place it appears and inserting in lieu thereof "sections 514 and 515".

(3) Section 504(a) of such Act is amended by striking out "(1) in the form of a loan, or combined loan and grant, in excess of $1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of $500" and inserting in lieu thereof "in the form of a loan, grant, or combined loan and grant in excess of $1,000".

(4) Paragraph (12) of section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting "or title V of the Housing Act of 1949," immediately before "shall be subject under this section".

The SPEAKER. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RAINS. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, the Senior Citizens Housing Act of 1962—H.R. 12628—is designed to help meet one of the most urgent needs in the field of housing, that of providing suitable homes for our elderly citizens at rents and prices within their means. The Congress can take great pride in its record of approving measures to meet this problem. The most important forward step so far is the program of low-interest direct loans, authorized by the Housing Act of 1959 for which additional funds were approved last year. The outstanding success of this program and the widespread support which it has is clear evidence of the growing recognition of the housing needs of the elderly. It shows that we are on the right track in our efforts to provide this housing and in the years to come I am confident that we will witness substantial further progress in this field.

There are several factors underlying the need for special provisions for housing for our senior citizens and increased efforts to make assistance available. First, the number of older people in our population is increasing rapidly—nearly twice as fast as overall population. In the past decade the total number of people in this country rose 19 percent while the number aged 65 and over jumped 35 percent. For many families the problem of age is compounded because today 1 out of 3 persons reaching the age of 60 has one or more close relatives over 80 to be concerned about. Looking to the future, the number of our older citizens will continue to rise more rapidly than the population as a whole and we must not delay in providing the programs and assistance they need and deserve.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 29, 1962
For actions of August 28, 1962
87th-2d, No. 154

CONTENTS

American Samoa.....13
Appropriations.....1
Census.....31
Committees.....3
Common market.....35
Cooperatives.....12
Dual compensation.....7
Education.....18
Electrification.....20
Estes.....26
Farm program.....2,8,26
Foreign trade.....25,33
Forest roads.....9,32
Forestry.....9,11,20
Highways.....32
Information.....31
Life insurance.....30
Loans.....14
Milk.....6,22
Mining.....19
Parks.....5
Personnel.....7,21,34
Prices.....27
Public works.....4
Radiation.....6,22
Reclamation.....17,28,29
Roads.....9
School lunch.....10
Taxation.....12
Transportation.....15
Wilderness.....24
Wildlife.....16
Wool.....23

HIGHLIGHTS: House Rules Committee reported rule to send farm bill to conference. Several Senators defended Under Secretary Murphy against recent criticism. House passed appropriations continuation resolution. House began debate on public works acceleration bill. Rep. Johnson, Wis., inserted Secretary's statement criticizing CED farm policy report. Senate subcommittee voted to report roads bill. Senate committee reported measure for designation of National School Lunch Week.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. J. Res. 864, the appropriations continuation resolution to make temporary appropriations until September 30, 1962, for those departments and agencies whose annual appropriation bills have not yet been enacted. p. 16847

2. FARM PROGRAM. The Rules Committee reported a resolution to send to conference H. R. 12391, the proposed Food and Agriculture Act of 1962. p. 16922

Rep. Johnson, Wis., criticized the farm policy proposals of the Committee for Economic Development and inserted a statement by Secretary Freeman criticizing these proposals. pp. 16909-12

3. COMMITTEES. Rep. Marshall resigned from, and Rep. Smith, Iowa., was elected to, the Appropriations Committee. p. 16847

4. PUBLIC WORKS. Began debate on H. R. 10113, the public works acceleration bill. pp. 16855-95

5. PARKS. Rep. Aspinall, Rep. Rutherford, and Rep. Saylor urged enactment of S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V.I. pp. 16896-7

6. MILK. Rep. Halpern discussed the radioactive contamination of milk and said, "The problem of radioactive fallout is clearly a Federal responsibility." pp. 16918-20

7. PERSONNEL; VETERANS. Received from the Defense Department a proposed bill "to exempt certain Reserve officers of the Army or Air Force from the dual compensation restrictions of the Economy Act of June 30, 1962, as amended"; to Armed Services Committee. p. 16921

SENATE

8. FARM PROGRAM. Sens Morse, Burdick, Humphrey, Ervin, Sparkman, and Carroll commended the integrity, honesty, and public service of Under Secretary Murphy, and defended him against recent criticism relative to his role in the Estes case. pp. 16803-8

9. ROADS. The Subcommittee on Public Roads of the Public Works Committee voted to report to the full committee with amendments H. R. 12135, the road authorization bill. The "Daily Digest" states that one of the amendments would "add $10 million for fiscal 1963 for forest roads and trails."

10. SCHOOL LUNCH. The Judiciary Committee reported without amendment S. J. Res. 211, providing for the designation of a week each year as National School Lunch Week (S. Rept. 1929). p. 16752

11. FORESTRY. The Interior and Insular Affairs Committee voted to report with amendmend (but did not actually report) S. 2387, to authorize the establishment of the Canyonlands National Park, Utah. p. D778

Sen. Cooper submitted an amendment intended to be proposed to H. R. 8355, authorizing executive agencies to grant easement in, over, or upon real property of the U. S., so as to exclude lands reserved, dedicated, or acquired for national forest purposes. pp. 16753-4

12. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 16767-803, 16808-9, 16814-46). Agreed to the committee amendment relating to taxation of cooperatives, but deferred until later consideration of the committee amendment relating to deductions for farmers for land-clearing expenses (See Digest 150 for a summary of these amendments)(pp. 16767-90).

13. AMERICAN SAMOA. Agreed to the conference report on H. R. 10062, to extend the application of certain laws to American Samoa (see Digest 150 for an explanation of the bill as reported out of conference). p. 16813-4

14. LOANS. Agreed to the House amendments to S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program. This bill will now be sent to the President. p. 16814

15. TRANSPORTATION. The Commerce Committee voted to report (but did not actually report) with amendment S. 3509, to place transactions involving unifications or acquisitions of control of freight forwarders under regulation of the Interstate Commerce Act. p. D778

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2283

TAKING H.R. 12391 FROM THE SPEAKER'S TABLE AND SENDING IT TO CONFERENCE

AUGUST 28, 1962.—Referred to the House Calendar and ordered to be printed

---

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 772]

The Committee on Rules, having had under consideration House Resolution 772, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 320

87TH CONGRESS
2D SESSION

H. RES. 772

[Report No. 2283]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 28, 1962

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, disagreed to and that the conference

requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

House Calendar No. 320

87TH CONGRESS
2D SESSION

H. RES. 772

[Report No. 2283]

RESOLUTION

Providing that H.R. 12391 shall be taken from the Speaker's table and sent to conference.

By Mr. SMITH of Virginia

AUGUST 28, 1962

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 31, 1962
For actions of August 30, 1962
87th-2d, No. 156

CONTENTS

Air pollution.....33
Courts.....5
Experiment Stations.....13
Exports.....7,23
Farm labor.....19
Farm program.....11,32
Farmers.....1
Feed grains.....29
Food and drugs.....27
Foreign trade....2,7,23,28
Forestry.....14
Law.....5
Legislative program..10,24
Migratory workers.....19
Milk.....34
Mining.....4
National Parks.....20
Personnel.....9,16,31
Property.....35
Public works.....25
Research.....13
Tariffs.....18
Taxation.....1
Territories.....8,15
Textiles.....3
Trade fairs.....28
Transportation.....17,30
Virgin Islands.....8
Wilderness.....12
Wildlife.....6
Youth conservation.....26

HIGHLIGHTS: House appointed conferees on farm bill. House committee voted to report wilderness bill. House passed bill to provide additional research facilities for experiment stations. House committee voted to report bill to facilitate work of Forest Service. Sen. Kerr inserted Treasury report supporting foreign trade bill. Sen. Muskie urged support for his amendment to foreign trade bill re imports from low-wage countries. Sen. Pastore defended President's textile program against recent attack.

SENATE

1. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 17070-120, 17124-55). Agreed to the committee amendment to permit farmers to deduct, in computing their Federal income tax, expenditures incurred by them in clearing land to make it suitable for farming, up to $5,000 or 25 percent of the taxable income from farming for the year, whichever is the lesser (p. 17070

   Sens. Carlson, Proxmire, Miller, Douglas, Curtis, Javits, and Sparkman submitted amendments intended to be proposed to this bill. pp. 17058-62, 17163-4

2. FOREIGN TRADE. Sen. Kerr inserted a letter and memorandum from Treasury Secretary Dillon supporting the proposed Trade Expansion Act of 1962. pp. 17123-4

   Sen. Muskie inserted his testimony before the Senate Finance Committee in support of his proposed amendment to the foreign trade bill to give the President authority to enter into marketing agreements with foreign countries to protect domestic industry from imports from countries with sub-standard wages and working conditions. pp. 17162-3

3. TEXTILES. Sen. Pastore defended the President's textile program against recent attack that it was "to appease the strongly protectionist elements in the cotton textile industry," and inserted several tables to support his position. Sens. Muskie, Thurmond, and Hickey commended Sen. Pastore's statement. pp. 17155-9

4. MINING. The Interior and Insular Affairs Committee reported with amendments S. 3451, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed (S. Rept. 1984). p. 17058

5. LAW; COURTS. The Judiciary Committee voted to report (but did not actually report) H. R. 1960, to amend title 28 of the U. S. Code relating to the jurisdiction of the U. S. district courts. p. D790-1

6. WILDLIFE. The Commerce Committee reported with amendments H. J. Res. 489, to provide for the protection of the golden eagle (S. Rept. 1986). p. 17163

7. EXPORT CONTROL. Both Houses received from Commerce a report on Export Control for the second quarter of 1962. pp. 17163, 17210

8. VIRGIN ISLANDS. Both Houses received from GAO "a report on the review of certain activities of the government of the Virgin Islands." pp. 17163, 17210

9. PERSONNEL. Sen. Proxmire expressed concern over "the serious shortage of scientific and engineering manpower" and inserted several items on the subject. pp. 17120-3

10. LEGISLATIVE PROGRAM. Agreed to a unanimous-consent agreement to begin consideration of the independent offices appropriation bill on Fri., Aug. 31. p. 17119

HOUSE

11. FARM PROGRAM. Agreed to H. Res. 772, to send to conference H. R. 12391, the proposed Food and Agriculture Act of 1962. Conferees were appointed. Senate conferees had already been appointed. pp. 17183-6

12. WILDERNESS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 776, the proposed National Wilderness Preservation Act. p. D793

13. RESEARCH. Passed without amendment H. R. 12712, to assist the States to provide additional facilities for research at the State agricultural experiment stations. pp. 17186-8

14. FORESTRY. The Subcommittee on Forests of the Agriculture Committee voted to report to the full committee with amendment H. R. 12434 consisting of miscellaneous administrative provisions to facilitate the work of the Forest Service. p. D793

15. TERRITORIES. Agreed to the conference report on H. R. 10062, to extend the application of certain laws to American Samoa. This bill will now be sent to the President. p. 17173

16. PERSONNEL. Passed with amendment S. 919, to amend the Hatch Political Activities Act to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of Sec. 9 of the Act. A similar bill, H. R. 12661, was laid on the table. pp. 17165-6

The Post Office and Civil Service Committee reported without amendment H.R. 5698, to extend the apportionment requirement in the Civil Service Act to

equate treatment has resulted in the loss of 35 percent of the minors who are found in the Health Department clinics to have contracted or to have been exposed to venereal disease, with no treatment of any kind.

The difficulties involved in obtaining written parental permission for treatment are numerous. The minor who lives with one or both parents is said to pose few problems, provided, that one parent can be readily contacted. Frequently, however, both parents are working. In other instances, a minor may be residing here with a relative other than his parents, or with a friend, and thus the required consent is extremely difficult to obtain. The most common source of difficulty, however, is probably the fact that in most cases, these minors fear the reaction on the part of their parents when the presence of these diseases is revealed to them.

The health of the community is seriously endangered by failure to treat this group of patients promptly. Through fear of their parents' displeasure, these minors frequently seek the advice of friends, older people, and thus often become the victims of quackery. Very often they allow their disease to spread through ignorance or neglect. Because they are in a very active sexual period of their lives, they are often promiscuous and are even a greater menace than the older adult who has some knowledge of venereal disease.

A survey conducted by the District of Columbia Department of Public Health revealed that treatment of minors for venereal disease upon request or presentation, without parental consent, is authorized in California, Florida, Georgia, Hawaii, Massachusetts, Mississippi, Montana, Oregon, Pennsylvania, Rhode Island, South Carolina, Virginia, Wyoming, North Carolina, Idaho, and the territory of Puerto Rico. In their replies to the District of Columbia Health Department's questionnaire, the health departments of many of these States stressed the fact that while they do have this authority, they prefer in such cases to contact the parents and obtain their consent for treatment, and make every effort to do so. This committee is assured that the District of Columbia Health Department will pursue this same course, and will use this authority to treat without parental consent only when necessary.

The Board of Commissioners of the District of Columbia have endorsed this bill, and no one has expressed any opposition to its passage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ABBITT. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 210]

Andersen, Minn.	Garmatz	Moulder
Ashley	Gavin	Nix
Bailey	Halleck	O'Brien, Ill.
Baring	Hardy	O'Konski
Barrett	Harrison, Va.	Pilcher
Bass, N.H.	Harvey, Mich.	Powell
Belcher	Healey	Reece
Blitch	Hébert	Reuss
Bolling	Hiestand	Rousselot
Boykin	Hoffman, Ill.	St. Germain
Brewster	Hoffman, Mich.	Santangelo
Buckley	Holifield	Saund
Celler	Inouye	Scherer
Cook	Johnson, Calif.	Scranton
Curtis, Mass.	Johnson, Md.	Seely-Brown
Davis, Tenn.	Karth	Shelley
Diggs	Kearns	Sheppard
Donohue	Kilburn	Shipley
Dooley	Kluczynski	Sibal
Durno	Lankford	Spence
Elliott	McMillan	Stratton
Evins	McSween	Taber
Fallon	McVey	Teague, Tex.
Farbstein	Marshall	Thompson, N.J.
Fisher	Merrow	Vanik
Fogarty	Miller, Clem	Weis
Friedel	Miller, N.Y.	Yates
Garland	Moorehead, Ohio	Zelenko

The SPEAKER. On this rollcall, 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TO IMPROVE AND PROTECT FARM INCOME AND FOR OTHER PURPOSES

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution, House Resolution 772, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and now yield myself such time as I may consume.

Mr. Speaker, this resolution is the usual resolution to send a bill to conference when objection has been made to a unanimous-consent request to send a bill to conference.

Mr. Speaker, this is the farm bill which the House passed some weeks ago. It was sent to the other body and has come back with certain amendments. I do not know that there is any controversy about sending the bill to conference. I have no further remarks to make, and I now yield to the gentleman from Ohio [Mr. BROWN] if he desires to yield time.

Mr. BROWN. Mr. Speaker, I yield myself 4 minutes.

(Mr. BROWN asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, as the gentleman from Virginia [Mr. SMITH], chairman of the Committee on Rules has explained, House Resolution 772, upon its adoption, will have the effect of sending the so-called farm bill, H.R. 12391, carrying amendments voted by the Senate, into conference for consideration by a House-Senate conference committee. I am sure, as you all know, the other body did adopt some rather far-reaching amendments to the bill as it passed the House, and you will recall at first, of course, that on June 21, 1962, the House of Representatives by a vote of 215 to 205 effectively killed for 1963 the administration's plan for regimenting and controlling the American feed grain farmer—and I emphasize the year 1963 because the proponents of supply management in the Department of Agriculture have not for 1 minute given up their efforts to ultimately impose a feed grain control plan.

The controllers lost a major battle when the House defeated H.R. 11222, but they are still hoping to win the war. Their tactics and strategy should be apparent to everyone who looks at the action of the Senate in amending H.R. 12391.

Their plan is a simple but ruthless one—devastate the income of the corn-livestock farmer to the point where he and his Representatives in Congress will be willing to take the control plan advocated by Mr. Freeman.

The Senate amendment to H.R. 12391 repeals the price-support provisions applying to feed grains in the Agricultural Act of 1958 and replaces them with a new and unique authority.

The 1958 act as you recall provides for corn supports at 90 percent of the previous 3-year market average, but not less than 65 percent of parity. In dollars and cents, this means a floor of about $1.05 per bushel. Other feed grains—oats, rye, barley, and grain sorghum—would be supported in relation to corn.

Under the Senate amendment, beginning in 1964 the Secretary of Agriculture would be authorized to support corn at such a level from 0 to 90 percent of parity, as he determines will not result in increasing Commodity Credit Corporation stocks of corn.

What does this mean? What is a level that will not result in increasing CCC stocks of corn? I understand that the gentleman from Iowa [Mr. HOEVEN] re-

cently asked Secretary Freeman that question, and he replied he did not know.

The junior Senator from Wisconsin at page 16240 of the RECORD of August 22, 1962, stated that he had asked the Department of Agriculture what level this would be and the Department replied it would be 70 cents per bushel, or 43 percent of parity.

The gentleman from Iowa [Mr. HOEVEN] has also inquired about this and found the figure to be 45 percent of parity, or 73 cents per bushel.

Whichever it is, 73 cents or 70 cents, it is an extremely low support for those who for so many years have so forcefully advocated 90 percent of parity and high rigid supports.

Of course, the vague language, "not result in increasing CCC stocks," leaves the Secretary virtually unlimited authority. He could easily set the support at 0. That is no support at all. He could pull the rug completely out or at the very least he could continue to threaten to do so. Does this seem improbable? I think not. Just take a look at the administration farm bill. All through it the theme of "controls or nothing" or put another way, "regimentation or ruin," was dominant.

This is the purpose of their amendment. It is a trap to enforce controls next year. These controls will be offered most assuredly as the Senate amendment further directs the Secretary to make specific recomemndations at the next session. It is an unwarranted and extremely broad authority to put into the hands of the people in the Department of Agriculture who are intent on blackjacking the farmer into a straitjacket.

I would like to ask the chairman of the Committee on Agriculture, the gentleman from North Carolina, whether or not he intends to support with all the vigor at his command the position of the House on this legislation. I understand it was the agreement in the Committee on Agriculture when this bill was originally reported out.

Mr. COOLEY. Certainly there is no such agreement in the Committee on Agriculture as indicated by the gentleman from Ohio.

I stated here on the floor in the debate that we would try to protect the House bill as far as possible; but the gentleman certainly knows that when you go to conference you have to make some concessions. We will make just as few concessions as circumstances force us to make.

Mr. BROWN. It has been my experience that the result of the conference usually depends upon the zealous attitude of the Members representing one side or the other in the argument. I hope the gentleman will stand by the position of the House.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HARVEY].

The SPEAKER pro tempore (Mr. GEORGE P. MILLER). The gentleman from Indiana is recognized for 3 minutes.

Mr. HARVEY of Indiana. Mr. Speaker, this bill we are sending to conference probably carries with it more importance than almost any other bill we have sent to conference this year. Certainly I hope with all my heart that the House version of this proposal will prevail, as one who is particularly interested in the livestock and feed grain provisions of this bill.

I would say that the Senate version is totally unacceptable to our type of farming. The House version is acceptable. I cannot put it any stronger than that.

We can only hope that the House conferees, because we have after a lot of difficulty in the House arrived at a basis that is farily congenial to all of us, will stick vigorously to the House version of this bill.

I say that and repeat it because I cannot emphasize too much the importance that it has for the great Midwest type of grain and livestock agriculture.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, there are some clarifications I would like to get on the record so that not only the Members of the House may understand but the farmers of America will also understand the circumstances under which we are going to conference.

The Secretary, of course, had no other choice than to announce that a referendum would be held to determine whether or not marketing quotas would be imposed on wheat producers of 1963. This action is taken on the basis of the 1938 act and is being decided today. In view of the fact no farm bill coming from this Congress in time to develop a new program for 1963, the Secretary had no other alternative.

I would like to address this question to the chairman of the Committee on Agriculture:

As I understand it, the Secretary in announcing the referendum that is occurring today stated the acreage allotments to wheat farmers would be assigned on the basis of a 55-million-acre national allotment, and under that circumstance he would support the 1963 crop at $1.82 a bushel.

Mr. COOLEY. The gentleman is correct.

Mr. AVERY. On that basis, regardless of what might come out of this conference, if anything, as far as the 1963 crop is concerned the price support would not be less, under any circumstances, than $1.82 a bushel?

Mr. COOLEY. That is correct.

Mr. AVERY. There has been a lot of talk around over modification or a refinement of the farm bill that was passed by the House which might result in a provision whereby there could be a voluntary diversion from the already announced allotment, but it would be voluntary. Perhaps it would be along the line of the suggestion made by a member of the committee, the gentleman from Kansas [Mr. DOLE]. Under that circumstance, or some other perhaps, the support price could be raised?

Mr. COOLEY. Yes, it can be raised, but not lowered.

Mr. AVERY. It is not likely to be raised unless some type of diversion program would evolve from this conference?

Mr. COOLEY. Yes.

Mr. AVERY. One other point I would like to make, and it will end up with a question.

The wheat producers have been maligned and assailed by almost every other segment of our economy from 1952 on. They have been accused of exploiting the Public Treasury, producing a surplus that is not needed. In the face of the surplus that is in evidence, we would have to agree there has been some overproduction.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. BROWN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. AVERY. Mr. Speaker, I would like to ask the gentleman from North Carolina a question. Of course he is not responsible, but I wonder if he can tell us what the Ellender amendment in the Senate bill means when it is described as an amendment "to make the fish farmers eligible for Government assistance programs."

Now—any language that I have understood—what would a Government assistance program to a fish farmer be, and what is it doing in an agricultural bill?

Mr. COOLEY. If the gentleman will yield further, that is one reason we wanted to go to conference—to find out what it means.

Mr. AVERY. That is a better reason for going to conference, that some of these suggestions I have heard, and I would support that objective.

Mr. Speaker, in conclusion, one understandable and one acceptable solution to this whole conference would be for the House conferees to agree to drop out the dairy section of our bill, which is not in the Senate bill, and the Senate agree to drop out the certificate wheat plan for 1964, and come back with just the simple extension bill as passed by the House. I am sure it could be agreed upon in a very few minutes and the House could proceed to complete its work for this session.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, I support this rule to send this bill to conference in order that we may work out the differences between the House and the Senate.

Mr. Speaker, we were primarily interested in the feed grains provision when the bill went through the House. This is the big reason why the bill which the administration wanted was defeated. There should not be any difficulty in working out the differences between the feed grains section of the Senate bill and our bill.

However, there is one part in which I am in complete opposition, and that is the change in the 1958 act as it would affect the present law on feed grains.

Mr. Speaker, we had before our committee for a number of weeks representatives of the Committee on Economic Development, known as the "CED," and many other individuals who wanted to express their views. The purpose of

these hearings was to study the CED farm report. We do not know anyone who supports the position of the CED, because over a period of 5 years the CED proposes to phase out programs which we have had in operation for years and years, and on which farmers have been dependent. However, if the Senate bill is enacted, it would accomplish in one year—1964—what the CED planned to accomplish over a period of 5 years.

So, as the people around my part of the country are throwing their Sears, Roebuck catalogs at the doors of Sears, Roebuck order stores and picketing the Ford Motor Co., I think they ought to pay attention to the fact that this administration will then do in 1 year more than the CED planned to do in 5 years.

Mr. Speaker, I might also point out that in the Senate-passed bill they have a wheat section which we did not pass—the administration's certificate plan. Under that plan it is expected that the price supports for wheat which would be used for feed would be about $1.40 a bushel. This is because they expected under the feed grains provision price supports would be $1.30 a bushel. I might ask the Members of the House what would be the price of wheat—the basic price of wheat—if corn were dropped to 70 cents a bushel as proposed in 1964? This would mean that the price of wheat would be something like 80 cents a bushel rather than $1.40 a bushel. If this were the case, how could feed grain farmers make any kind of money and stay in business, if that would be the kind of income which they received?

Mr. Speaker, I know the reason for such a provision. It is to force Congress to put through mandatory controls over feed grains at the next session of Congress. I want no part of that program because the farmers in my area have proved that under the voluntary plan under which they have been operating the last 2 years and under which they hope to operate next year, they can actually reduce production more than anticipated under the plan proposed by Secretary Freeman.

Mr. Speaker, as we said the other day, under the voluntary plan anyone who wants to can take part in it, but everyone can raise enough feed for his livestock.

To me this is a basic right in agriculture, to anybody in this country, to have the right to manage their own operations. This is what I want to protect for the farmers of this country.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, I take this time to ask the chairman of our committee a question about the position that the House is going to take relative to the two-price system for wheat that is now in the Senate bill. Is it the intent of the chairman of our committee to hold firm to the House position and attempt to delete the two-price system for wheat from the Senate bill?

Mr. COOLEY. Mr. Speaker, as I understand it, that would be applicable in 1963, but actually it is not possible to put the program in in 1963. Any program that is brought forth in this legislation would have to take effect in 1964. Now the gentleman is asking me what position the House will take. All I can say is that generally speaking the House conferees, I am certain, will stand by the House bill and every provision thereof as far as circumstances will justify and permit us to do.

Mr. LATTA. I thank the gentleman for his comment. I am glad to know that he will stand firm for the House position which did not contain this two-price system.

Mr. Speaker, I might point out to those who are interested in the small wheat producer, as I am, that if this two-price system stays in the bill, most of our small farmers are going to get $1.40 a bushel for their wheat. They are not going to be eligible for the certificates which are worth 60 cents a bushel. I think that the press has been exceedingly lax, especially out in Ohio, in not pointing this fact out to their readers. The last time I checked out in Ohio our farmers were getting approximately $2.02 a bushel for their wheat. Mr. Speaker, I would like to refer to the hearings on the House bill, before our committee, page 195, where the very able gentleman from Kansas [Mr. DOLE] was interrogating the Secretary. The gentleman from Kansas [Mr. DOLE] asked:

Mr. DOLE. You may have given an answer earlier to this. What do you think that the price might be for the wheat program?

Secretary FREEMAN. I suggested that on the domestic area it would be somewhere between a range of $1.95 and $2.05. I did say, in connection with the export certificate, I do not feel quite prepared with regard to all of the factors which we would need to take into consideration on that, to set a range. I would think somewhere possibly between $1.70 and $1.90. Of course, what might be left by way of feed use—

That is what I am talking about, these people who are not eligible for these certificates.

that main group, would move at feed price in relation to the support price of corn.

Mr. DOLE. That would be around $1.40?

Secretary FREEMAN. It would depend upon where we set it. If we set the support price on corn at $1.30 it would be $1.40.

I mention to the membership now that that support price on corn is $1.20. So we actually would not be getting $1.40 a bushel price support without the certificate.

Mr. Speaker, I urge the conferees to hold firm in support of the bill that the House passed and to delete any reference whatever to this two-price system.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I merely want to say it is most unusual that on the very day this bill goes to conference the Nation's wheat farmers are voting on the referendum. They are voting not knowing for certain what program will finally be adopted. In the winter wheat areas farmers are already seeding wheat and hence some type of voluntary plan appears to be necessary. Certainly the farmer who has not known whether to divert 10 or 20 percent of his allotted acres or to prepare more ground for planting, has been in a complete dilemma. He should not now be punished because Congress, largely because of the insistence of the Secretary of Agriculture on a mandatory program and his stubborn refusal to compromise, has not enacted a program. The farmer should not now be penalized when he is blameless.

I suggested on August 13, a 50–50 wheat plan, a voluntary program giving the farmer the option to retire up to 50 percent of his wheat allotment and receive diversion payments based on 50 percent of the farm's production.

Under legislation introduced by me—H.R. 12875—the 55 million acre national minimum allotment would be in effect as Secretary Freeman has previously announced, and price support would be from 75 to 90 percent of parity. This voluntary approach is necessary because many winter wheat farmers have already begun their planting operations. It would be extremely unfair to change the rules in the middle of the game by forcing wheat farmers to cut their acreage after voting in the referendum on a 55-million-acre national allotment.

Each wheat farmer would be given the opportunity to divert up to 50 percent of his allotment—or in the case of small growers up to 50 perecnt of his highest actual acreage in 1959, 1960, or 1961—in return for diversion payments based on 50 percent of the farm production times the basic county support price.

As in the 1962 program, the diverted acreage would be devoted to conservation practices.

Special provisions applying to the planting of castor beans, guar, safflower, sunflower, sesame, and other annual field crops, except table vegetables and flax, would be continued in the same manner as in 1962.

The Secretary would also be given authority to make advance payments not to exceed 50 percent of the total amount due and would be given authority to make adjustments, issue regulations, and use the funds of the Commodity Credit Corporation for this special 1963 wheat program.

In addition, the provisions in the 1962 program applying to new farms, the release of stored wheat and Durum wheat would be continued by my proposed legislation.

Those sending out information on farm programs and relative income should seriously consider what would happen under the Senate version of the bill insofar as the wheat farmer is concerned.

Under the certificate wheat plan that portion of his crop the farmer could sell for feed becomes important. Since the price he would receive for feed wheat is related to the price of corn it does not take an expert to determine that if the Ellender feed grain amendment is retained in the Senate passed bill wheat

farmers would receive about 80 cents a bushel for feed wheat in 1961. This would have a drastic effect on farm income throughout the Midwest, needless to say.

You have heard the gentleman from Ohio [Mr. LATTA] and the gentleman from Kansas [Mr. AVERY] discuss the wheat program. It is high time farmers are given facts; the farmer wants to know where he is going. I trust in conference serious consideration will be given to a voluntary approach for the wheat farmer for 1963.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. MCCULLOCH].

Mr. MCCULLOCH. Mr. Speaker, I was very pleased to hear the question addressed by my colleague [Mr. BROWN] to the chairman of the Committee on Agriculture. I would like to recall to the memory of the Members of the House what happened to a bill that came from the Committee on the Judiciary known as the Antitrust Civil Process Act. I supported that bill as it came from the committee. It was amended on the floor by what was determined to be a very important amendment. It went to conference, and the conference report rejected the House amendment. When the conference committee report came back to the House, you will remember that very close vote of 202 to 200 that agreed to the motion to recommit the conference report to the committee of conference. So, Mr. Speaker, it is my hope that the House conferees on this bill fight as only House Members can fight when they know they are right.

Mr. BROWN. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, in not opposing the rule and in not asking for instructions to be given to the House conferees on this bill, I am assuming that the House conferees will do their level best and their utmost to support the House position on this legislation. Mr. Chairman, am I correct in that assumption?

Mr. COOLEY. The gentleman is one of the conferees. I think he ought to speak for himself. I speak for myself. I have already spoken two or three times about it. The gentleman knows we cannot go into conference with our hands tied. We must go into a free conference. We may have to make some concessions. We may not be able to bring back the House bill 100 percent as we passed it, but we will do our best.

Mr. HOEVEN. I thank the gentleman for his assurance, I think I can speak in behalf of the House conferees on the minority side: We expect to sustain the position of the House as far as possible especially with reference to the wheat and feed grain sections. The feed grain section really is not involved in conference because both the Senate and House versions are much alike. But, the proposed revision of the act of 1958 as it relates to corn and feed grains is dynamite, and will no doubt be one of the most controversial items to confront the conferees. In the House bill we extend the feed grain act for 1 year, as well as the present wheat program for another year. The other body however wrote into the wheat section the so-called certificate or two-price system with which I cannot accept.

Furthermore, in a very clever move the Senate has sought to amend the Agricultural Act of 1958 whereby the Secretary of Agriculture will be given complete discretion and authority to fix the price support on corn from zero to 90 percent, of parity provided that none such feed grains help build up the Commodity Credit Corporation's stocks on corn.

This provision is dangerous because it will practically mean removing all price supports on corn. The best analysis I can find under the formula proposed in the other body, the price support on corn will be about 45 percent of parity which would mean about 70 cents to 73 cents corn. Everyone knows whenever you have cheap feed grains, you are going to have cheap livestock, so another problem will be created.

Now the thing that disturbs me very much is the statement made by the chairman of the Committee on Agriculture and Forestry in the other body when the Senate bill was under consideration. The Senator from Kentucky [Mr. COOPER] made this statement to Senator ELLENDER as found on page 16138 of the RECORD of August 21, 1962:

> I know the purpose of the chairman, as he made very clear yesterday on the floor, is to secure, if possible, enactment next year of a compulsory feed grain program.

And Senator ELLENDER answered in the affirmative.

The House has spoken very emphatically on the question of a compulsory feed grain program. I want to serve notice right now, that if a conference report comes back with any type of compulsion in it, that I shall oppose it to the best of my ability.

Let me emphasize also that the Senate proposes permanent legislation for corn and feed grains. If the Senate passes a strict feed control bill next year, with the act of 1958 repealed as to support on corn, as they contemplate doing, it will simply be saying to the feed grain farmers—you will have to take the control bill now because we have pulled the rug from under you in repealing the act of 1958. I do not propose to let that happen. I, for one, do not expect to be caught in that kind of a trap.

So I do hope that when we go into conference, the House conferees will stand by the House version as far as possible. We have a gentleman's agreement in our committee that early next year we are going to review the entire act of 1958 and all subsequent major farm legislation, and so I see no reason in the world why we should legislate beyond the year 1963. There will be another Congress here in January. Let us legislate for the year 1963 and not be worrying about legislation for 1964. I do hope we can present a conference report very much in line with the House position on the legislation for next year and that we then carefully review proposed permanent legislation at the next session of the Congress.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, BREEDING, HOEVEN, BELCHER, and QUIE.

EXPERIMENT STATION RESEARCH FACILITIES

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12712) to assist the States to provide additional facilities for research at the State agricultural experiment stations, and that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the policy of the Congress to continue its support of agricultural research at the State agricultural experiment stations through Federal-grant funds, on a matching basis, to help finance physical facilities as required for the effective conduct of an adequate research program.

SEC. 2. The purpose of this Act is to assist the State agricultural experiment stations in the construction, acquisition, and remodeling of buildings, laboratories, and other capital facilities (including the acquisition of fixtures and equipment which are to become a part of such buildings) which are necessary to more effectively conduct research in agriculture and sciences related thereto through means of grants from the Federal Government.

SEC. 3. As used in sections 2 to 11, inclusive, of this Act—

(1) the term "State" shall include Puerto Rico;

(2) the term "State agricultural experiment station" means a department established under the direction of a college or university in any State in accordance with the Act entitled "An Act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and mechanic arts", approved July 2, 1862 (7 U.S.C. 301); or a department otherwise established pursuant to standards prescribed by the State the purpose of which is to conduct agricultural research; and

(3) the term "Secretary" shall mean the Secretary of Agriculture.

SEC. 4. (a) There are hereby authorized to be appropriated for allocation to the States for the purposes of section 2 such sums as the Congress deems advisable.

(b)(1) One-third of the funds appropriated pursuant to this section for any fiscal year shall be allotted equally among the States.

(2) Two-thirds of the funds appropriated pursuant to this section for any fiscal year shall be allocated among the States as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States as determined by the last preceding decennial census current at the time each

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of Sept. 4, 1962 (Aug. 31)
87th-2d, No. 158

CONTENTS

Air pollution.....34
Appropriations....15,28,29
Awards.....4
Cheese.....14
Census.....24
Communications.....27
Credit.....31
Drugs.....33
Education.....5
Fairs.....16
Farm program.....2,17
Food for peace.....20
Forestry.....1,10,13
Golden eagle.....22
Hazardous duty.....7
Information.....19,24
Lands.....15
Monopolies.....18,33
Parks.....9
Patents.....25
Personnel.....7
Pesticides.....23
Public utilities.....12
Public works.....11,21
Radiation.....8
Reclamation.....30
Reservoirs.....6
Roads.....10
Samoa.....3
Science.....4
Taxation.....12
Transportation.....26,32
Veterans.....5
Wildlife.....22

HIGHLIGHTS: Senate committee voted to report roads bill. Senate committee voted to approve House amendments to public works acceleration bill. Sen. Bartlett urged greater fire protection for forest lands. Sen. Wiley commended cheese industry. Rep. Lindsay urged greater protection against radioactive contamination of food.

HOUSE

1. FORESTRY. Passed without amendment S. 1878, to add certain lands to the Wasatch National Forest, Utah. A similar bill, H. R. 7195, was laid on the table. This bill will now be sent to the President. p. 17323

2. FARM PROGRAM. The "Daily Digest" for Aug. 31 states, "Conferees, met in executive session to resolve the differences between the Senate-and House-passed versions of H. R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again on Monday, September 10." p. D799

3. SAMOA. Both Houses agreed to without amendment H. Con. Res. 519, requesting the President to return H. R. 10062, to extend the application of certain laws to American Samoa, in order to allow the Clerk of the House to correct the enrollment. pp. 17320, 17399

4. AWARDS. Reps. Gross, Ray, and Ford objected to consideration of H. R. 4055, to authorize the payment of a monetary award to recipients of the National Medal of Science. This bill was stricken from the Consent Calendar. p. 17323

5. VETERANS. At the request of Rep. Weaver, passed over without prejudice H. R. 9962, to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. p. 17324

6. RESERVOIRS. Passed without amendment H. R. 11799, defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies. p. 17326

7. PERSONNEL. Passed as reported H. R. 2079, to amend the Classification Act of 1949 to authorize the establishment of hazardous-duty pay in certain cases. pp. 17326-7

8. RADIOACTIVE CONTAMINATION. Rep. Lindsay urged a stepped-up program of effective countermeasures to combat radioactive contamination and said, "I think that a thorough public congressional investigation may be in order to determine how much cooperation between Federal and State health programs exists at the present time." pp. 17338-44

9. PARKS. The Subcommittee on National Parks of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 11781, to redesignate the Big Hole Battlefield National Monument and to revise the boundaries thereof. p. D804

SENATE

10. ROADS. The Public Works Committee voted to report with amendments (but did not actually report) H. R. 12135, the proposed Federal-Aid Highway Act of 1962, which includes authorizations for forest highways and forest development roads and trails. p. D802

11. PUBLIC WORKS. The Public Works Committee voted to rereport (but did not actually report) S. 2965, the public works acceleration bill. The "Daily Digest" states that the committee "agreed to recommend that the Senate agree to the House amendment to S. 2965" (p. D802). This bill, as passed by the House, had been referred to the committee earlier in the day (p. 17349).

12. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 17349-50, 17361-415, 17420-1). By a vote of 16 to 49, rejected an amendment by Sen. Proxmire to eliminate public utilities from the investment credit provisions provided in the bill (pp. 17365-96).

13. FORESTRY. Sen. Bartlett discussed the danger of forest fires to our timber resources, reviewed the progress made in the control of forest fires, and stated that "it is necessary that the public lands receive the most intensive protection possible." pp. 17351-3

14. CHEESE. Sen. Wiley commended the domestic cheese industry, particularly for its development of American blue cheese which he stated "is today the most popular blue mold cheese in the country." pp. 17355-6

15. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 12870, the military construction appropriation bill for 1963 (S. Rept. 1994). p. 17349

16. FAIRS. Sen. Javits inserted a speech on plans for the N. Y. World's Fair in 1963-4, "The Biggest Box Office in History." pp. 17359-60

Hatch Act: The House vacated the proceedings of passage on August 30 of S. 919, to amend the Hatch Act to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act. The bill was amended to contain new text and passed by a voice vote with the title amended to provide for reducing the period of suspension by the Civil Service Commission to 30 days in lieu of elimination of the 90 days' suspension requirement. Page 17215

Program for Tuesday: Adjourned at 12:54 p.m. until Tuesday, September 4, at 12 o'clock noon when the House will call the Consent and Private Calendars.

Committee Meetings

TUNA

Committee on Foreign Affairs: On Thursday, August 30, Subcommittee on Inter-American Affairs heard testimony from departmental and public witnesses on S. 2568, to amend the Tuna Conventions Act of 1950, regarding the preservation of tropical tuna.

SYSTEMS DEVELOPMENT-MANAGEMENT

Committee on Government Operations: Subcommittee on Military Operations continued hearings on systems development and management, and heard testimony from a public witness. Adjourned subject to call of the Chair.

INDIANS

Committee on Interior and Insular Affairs: Ordered reported favorably to the House the following bills:

H.R. 8113, to amend the act of August 9, 1955, to include the Southern Ute Indian Reservation among those excepted from the 25-year lease limitation;

S. 2696, to correct certain land descriptions in the act entitled "An act to declare that the U.S. holds in trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands";

S. 2971, to declare that certain lands of the U.S. are held by the U.S. in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation;

S. 3342, to approve an order canceling irrigation charges against non-Indian-owned lands under the Klamath Indian irrigation project, Oregon;

S. 1161, to provide for the use of lands in the Garrison Dam project by the Three Affiliated Tribes of the Fort Berthold Reservation;

H.R. 9171 (amended), to amend the act of August 27, 1954, with respect to the Uintah and Ouray Reservation in Utah; and

H.R. 9342 (amended), to provide for an exchange of lands between the U.S. and the Southern Ute Indian Tribe.

CENSUS

Committee on Post Office and Civil Service: Subcommittee, in executive session, ordered reported favorably to the full committee H.R. 10569 (amended), to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis; H.R. 11949, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census; and H.R. 11950, to provide for taking of the economic censuses 1 year earlier starting in 1968.

Prior to taking action on the bills, the subcommittee held an open hearing with testimony from Richard M. Scammon, Director, accompanied by other Bureau of the Census officials.

Joint Committee Meetings

FARM BILL

Conferees, met in executive session to resolve the differences between the Senate- and House-passed versions of H.R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again on Monday, September 10.

BILLS SIGNED BY THE PRESIDENT

New Laws

(*For last listing of public laws, see* DIGEST, *p. D795, August 30, 1962*)

S. 2256, to provide benefits under the War Claims Act for Guamanians killed or captured by the Japanese at Wake Island. Signed August 31, 1962 (P.L. 87–617).

S.J. Res. 132, extending recognition to the International Exposition for Southern California in 1966. Signed August 31, 1962 (P.L. 87–618).

S. 538, to empower certain officers and employees of the GSA to administer oaths to witnesses. Signed August 31, 1962 (P.L. 87–619).

S. 3016, to establish new loadline regulations for oceangoing and coastwise vessels. Signed August 31, 1962 (P.L. 87–620).

H.R. 10651, to increase fees which may be collected by U.S. marshals. Signed August 31, 1962 (P.L. 87–621).

S. 1005, to prohibit contracting for construction of Federal Reserve bank branch buildings without approval of the Federal Reserve Board. Signed August 31, 1962 (P.L. 87–622).

S. 2876, extending armed services housing mortgage insurance to persons connected with NASA and the AEC. Signed August 31, 1962 (P.L. 87–623).

H.R. 11040, to establish a commercial communications satellite system. Signed August 31, 1962 (P.L. 87–624).

H.J. Res. 864, providing for continuing appropriations through September 30, 1962. Signed August 31, 1962 (P.L. 87–625).

CONGRESSIONAL PROGRAM AHEAD

Week of September 3–8

(Committee meetings are open unless otherwise indicated)

Senate Chamber

Senate will continue on Tuesday on H.R. 10650, proposed Revenue Act of 1962.

Senate Committees

Committee on Appropriations: September 4, executive, to mark up H.R. 12870, fiscal 1963 appropriations for military construction, 10:30 a.m., room F–37, Capitol;

September 5–7, to continue executive hearings on proposed foreign aid appropriations, 10:30 a.m., room F–37, Capitol.

Committee on Armed Services: (See Committee on Foreign Relations.)

Committee on Banking and Currency: September 6, Subcommittee on Production and Stabilization, executive, on S. 1740, relating to the disclosure of finance charges on extensions of credit, 9:30 a.m., 5302 New Senate Office Building.

Committee on Commerce: September 6, Subcommittee on Merchant Marine and Fisheries, on S. 3649, to admit to American registry the vessels *Montauk* and *Glenbrook*, 10 a.m., 5110 New Senate Office Building.

Committee on Foreign Relations: September 5, to meet in a joint executive session with the Committee on Armed Services to receive a briefing from Secretary of State Rusk, Secretary of Defense McNamara, and Deputy Director of the CIA General Carter, 10:30 a.m., room F–53, Capitol.

Committee on Government Operations: September 5, Permanent Subcommittee on Investigations, to continue hearings on the financial activities of Billie Sol Estes, 9:30 a.m., 318 Old Senate Office Building.

Committee on Interior and Insular Affairs: September 5, executive, on calendar business, 10 a.m., 3110 New Senate Office Building.

Committee on the Judiciary: September 4, Subcommittee on Patents, Trademarks, and Copyrights, on S. 2225, 2639, and H.R. 12513, patents bills, 10 a.m., 2228 New Senate Office Building.

Committee on Labor and Public Welfare: September 5, Subcommittee on Labor, on H.R. 11677, relating to equal pay for women, 9:30 a.m., 4232 New Senate Office Building.

Committee on Post Office and Civil Service: September 4, executive, to resume consideration of Federal employees' pay legislation, and H.R. 7927, proposed Postal Revision Act, 10:30 a.m., 6200 New Senate Office Building.

Committee on Public Works: September 4, executive, on H.R. 12135, Federal-Aid Highway Act, 10 a.m., 4200 New Senate Office Building;

September 5 and 6, Subcommittee on Flood Control—Rivers and Harbors, on Columbia River projects to be included in the omnibus flood control bill, to hear public witnesses, 10 a.m., 4200 New Senate Office Building;

September 7, Subcommittee on Flood Control—Rivers and Harbors, on Oklahoma projects to be included in the omnibus flood control bill, to hear public witnesses, 10 a.m., 4200 New Senate Office Building.

House Chamber

Monday, Labor Day (no session).

Tuesday, the House will call the Consent and Private Calendars.

Wednesday, no session.

Thursday, no legislative business.

House Committees

Committee on Banking and Currency: September 5, 6, and 7, Subcommittee No. 2, on H.R. 10518, and related bills, to amend the Small Business Act to provide that the program under which the Government contracts are set aside for small business concerns shall not apply in the case of contracts for maintenance, repair, or construction.

Committee on Education and Labor: September 5, Select Subcommittee on Education, on S. 2511, re production and distribution of educational and training films for use by deaf persons.

Committee on Government Operations: September 5, 6, and 7, Subcommittee on Executive and Legislative Reorganization, on military construction projects.

Committee on Interior and Insular Affairs: September 4, Subcommittee on Mines and Mining, on H.R. 9712, re sale of certain reserved mineral interests of the U.S.; and H.R. 8017, re discovery of tin deposits and mining of tin from domestic mines, 9:45 a.m., 1324 New House Office Building.

September 4, Subcommittee on National Parks, on H.R. 11781, S. 77, H.R. 4684, H.R. 7487, S. 1775, H.R. 6919, H.R. 7668, H.R. 7669, and executive session on proposed subcommittee report on national cemetery policy, 9:45 a.m., 1324 New House Office Building.

September 5, full committee, on pending legislation.

September 6, Subcommittee on Mines and Mining, on H.R. 12530, 12872, 12873, 12874, 12929, 11294, and 3035, mining measures.

Committee on the Judiciary: September 5, Subcommittee No. 2, hearings on private claim bills.

September 6, Subcommittee No. 1, on population and immigration study.

Committee on Public Works: September 6, Subcommittee on Rivers and Harbors, on civic works projects.

Committee on Science and Astronautics: September 4 and 6, Subcommittee No. 4, on weather satellite development.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

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CONTENTS

Appropriations.....13	Foreign agriculture.....9	Public Law 480.....21
Area redevelopment.....1	Foreign currencies.....21	Public works.....1
Assaults.....16	Foreign trade.....6,18	Recreation.....4
Bread imports.....18	Housing.....8	Safety.....15
Cuba.....9	Information.....10	Soil conservation.....19
Economics.....7,20	Lands.....2	Surplus commodities.....21
Employment.....7	Legislative program.....18	Tariff.....18
Farm labor.....12	Perishable commodities...3	Taxation.....5,14
Farm program.....11	Personnel.....15,16	Transportation.....17
Flood control.....22	Prices.....20	Wildlife.....4

HIGHLIGHTS: Senate agreed to House amendments to public works acceleration bill. Sen. Humphrey inserted article supporting proposed foreign trade bill.

SENATE

1. PUBLIC WORKS. By a vote of 45 to 22, agreed to the House amendments to S. 2965, the public works acceleration bill (pp. 17842, 17847-61). This bill will now be sent to the President. As agreed to the bill authorizes an immediate $900 million public works program in those areas which are designated by the Secretary of Commerce under the Area Redevelopment Act as "redevelopment areas" and those areas which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least 9 of the preceding 12 months. Of the $900 million authorized to be appropriated, $300 million is to be reserved for allocation in areas designated under Sec. 5 (b) of the Area Redevelopment Act relating to unemployment in rural areas.

   By a vote of 30 to 38, rejected an amendment by Sen. Cooper to correct a technical error in the bill which erroneously refers to a section not in the bill. pp. 17842, 17847-52

   Rejected an amendment by Sen. Lausche to strike out a House amendment which alters the amount of money that local and State governments may post to qualify themselves for participation in the grants that are to be made. pp. 17856-7

2. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments S. 3160, to amend the act of March 8, 1922 (permitting entry on and patent for land containing minerals) so as to extend its provisions to the townsite laws applicable in Alaska (S. Rept. 2022). p. 17836

3. PERISHABLE COMMODITIES. Conferees were appointed on S. 1037, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing. House conferees have not yet been appointed. p. 17862

4. WILDLIFE; RECREATION. Sens. Williams, N. J., and Keating submitted amendments intended to be proposed to H. R. 1171, to increase the public benefits from the national fish and wildlife conservation areas through their incidental or secondary use for public recreation. pp. 17862-3

5. TAXATION. Passed with amendments H. R. 6413, to extend to fishermen the same treatment accorded farmers in relation to estimated income tax. p. 17864

6. FOREIGN TRADE. Sen. Humphrey inserted an article, "Challenge for America: Trade or Fade," supporting enactment of the proposed Trade Expansion Act of 1962. pp. 17837-40

7. EMPLOYMENT; ECONOMICS. Sen. Douglas submitted a resolution to authorize the printing of additional copies of hearings of the Jt. Economic Committee, "State of the Economy and Policies for Full Employment." pp. 17836, 17837
Sen. Humphrey inserted an article by Leon Keyserling, "One Prescription for Unemployment." pp. 17840-1

8. HOUSING. Sen. McNamara submitted a resolution to authorize the printing of additional copies of a committee print of the Special Committee on Aging, "Housing for the Elderly." p. 17837

9. CUBA; FOREIGN AGRICULTURE. Sen. Dodd inserted several articles discussing the situation in Cuba, including the shortage of food supplies. pp. 17874-7

10. INFORMATION. Sen. Thurmond inserted several articles on a new book, "Washington Cover-Up," regarding the use of executive privilege in withholding information from Congress. pp. 17865-6

HOUSE

11. FARM PROGRAM. The "Daily Digest" states, "Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again tomorrow." p. D821

12. MIGRANT LABOR. Passed with amendment S. 1130, to amend title III of the Public Health Service Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions. A similar bill, H. R. 12365, was laid on the table. pp. 17804, 17808-14

13. MILITARY CONSTRUCTION APPROPRIATIONS. Conferees were appointed on H. R. 12870, the military construction appropriation bill. Senate conferees have already been appointed. p. 17802

14. TAXATION. Conferees were appointed on H. R. 10650, the proposed Revenue Act of 1962. Senate conferees have already been appointed. p. 17802

Self-employed pensions: H.R. 10, to encourage the establishment of voluntary pension plans by self-employed individuals (conferees—Representatives Mills, King of California, Boggs, Keogh, Mason, Byrnes of Wisconsin, and Baker). Page 17802

National Safety Council: House passed without amendment and thus cleared for President S.J. Res. 222, designating period from October 1962 to October 1963 as National Safety Council 50th Anniversary Year. Page 17802

Currency: H.R. 8038, to prohibit certain acts involving the use of tokens, slugs, etc., which are similar in size to the U.S. coins or currency, was cleared for Presidential consideration by House agreement to Senate amendments thereto. Pages 17802–17803

Guaranteed Aircraft Purchase Loans: By a voice vote the House passed with committee amendments H.R. 10129, to extend for 5 years P.L. 85–307, which authorizes the Government to guarantee private loans to certain smaller airlines for the purchase of aircraft. H. Res. 778, the open rule under which the legislation was considered, had been adopted earlier by a voice vote. Pages 17803–17808

Migratory Farmworkers: H.R. 12365, to authorize grants for family clinics for domestic agricultural migratory workers, was passed without amendment by a voice vote. Subsequently this passage was vacated and S. 1130, a similar bill, was passed in lieu after being amended to contain the House-approved language. H. Res. 781, the rule providing for consideration of the bill, had been adopted earlier by a voice vote. Pages 17804, 17808–17814

Bills Referred: Four Senate-passed bills were referred to appropriate committees. Pages 17833

Programs for Tuesday: Adjourned at 1:12 p.m. until Tuesday, September 11, at 12 o'clock noon, when the House will act on the following bills from the Committee on Ways and Means:

H.R. 3985, to impose a duty upon the importation of bread;

H.R. 10080, relating to tax treatment of contributions to certain organizations for judicial reform;

H.R. 10117, regarding inclusion of medical, etc., benefits under qualified pension plans;

H.R. 10620, to modify the maximum limitations on the amount allowable as a deduction for medical, dental, etc., expenses;

H.R. 12242, to provide for the tariff classification of certain particleboard;

H.R. 12599, relating to income tax treatment of terminal railroad corporations; and

H. Con. Res. 356, designating "bourbon whiskey" as a distinctive product of the United States.

Also will consider H.R. 12080, relating to higher interest rates on the deposits of foreign governments (1 hour of debate); and

S. 4, to provide for the establishment of the Padre Island National Seashore (1 hour of debate).

Committee Meetings

AID

Committee on Government Operations: Subcommittee on Foreign Operations and Monetary Affairs held a hearing regarding the Agency for International Development. Heard testimony from various Agency for International Development officials.

Hearings continue tomorrow.

Joint Committee Meetings

FARM BILL

Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H.R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again tomorrow.

BILLS SIGNED BY THE PRESIDENT

New Laws

(*For last listing of public laws, see* DIGEST, *p. D813, September 6, 1962*)

H.R. 5604, relating to the construction of certain bridges across the Delaware River. Signed September 7, 1962 (P.L. 87–644).

H.R. 10743, increasing rates of compensation for veterans with service-connected disabilities. Signed September 7, 1962 (P.L. 87–645).

H.R. 10432, to codify title 39, U.S. Code, relating to postal service. Signed September 7, 1962 (P.L. 87–646).

S. 1606, authorizing the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act. Signed September 7, 1962 (P.L. 87–647).

H.R. 11257, providing for disciplinary punishment for minor military offenses without the intervention of a court-martial. Signed September 7, 1962 (P.L. 87–648).

H.R. 10431, to revise, codify, and enact title 37 of U.S. Code entitled "Pay and Allowances of the Uniformed Services." Signed September 7, 1962 (P.L. 87–649).

S. 2250, providing for the incorporation of the National Woman's Relief Corps, GAR auxiliary. Signed September 7, 1962 (P.L. 87–650).

H.R. 10433, to codify recent military laws. Signed September 7, 1962 (P.L. 87–651).

COMMITTEE MEETINGS FOR TUESDAY, SEPTEMBER 11

(*All meetings are open unless otherwise designated*)

Senate

Committee on Commerce, to continue its hearings on S. 3242 and S. 3243, the administration's transportation bills, 10 a.m., 5110 New Senate Office Building.

Committee on Finance, to resume executive consideration of H.R. 11970, Trade Expansion Act, 10 a.m., 2221 New Senate Office Building.

Committee on Foreign Relations, executive, to hear Secretary of State Rusk discuss the itinerary of the forthcoming meeting of the U.N., 10:30 a.m., room F–53, Capitol.

Committee on the Judiciary, on the nomination of Arthur J. Goldberg, to be an Associate Justice of the Supreme Court, 10 a.m., 2228 New Senate Office Building.

House

Committee on Banking and Currency, Subcommittee No. 2, on H.R. 10518, and related bills, to amend the Small Business Act, 10 a.m., 1301 New House Office Building.

Committee on Government Operations, Subcommittee on Executive and Legislative Reorganization, on military construction activities, 10 a.m., 1501 New House Office Building.

Subcommittee on Foreign Operations and Monetary Affairs, to continue hearings re the Agency for International Development, 10 a.m., 304 Old House Office Building.

Committee on the Judiciary, executive, on pending legislation, 10:30 a.m., 346 Old House Office Building.

Committee on Merchant Marine and Fisheries, Subcommittee on Fisheries and Wildlife Conservation, on H.R. 11343, and identical bills, to initiate a salmon and steelhead development program in California; and H.R. 9547, to facilitate the application and operation of the Fish and Wildlife Act of 1956, 10 a.m., 219 Old House Office Building.

Committee on Post Office and Civil Service, Subcommittee on H.R. 10696, revising the requirements for information to be furnished annually to the Postmaster General by publications having second-class mail privileges, 10 a.m., 215 Old House Office Building.

Committee on Public Works, Subcommittee on Rivers and Harbors, on title I of the omnibus rivers and harbors and flood control bill, 10 a.m., 1302 New House Office Building.

Subcommittee on Roads, executive, on discussion of Inter-American Highway and Rama Road; and H.J. Res. 572, re highway program for Alaska, 10:30 a.m., 1435 New House Office Building.

Committee on Science and Astronautics, Subcommittee No. 4, on weather satellite development, 10 a.m., 214–B New House Office Building.

Joint Committees

Conferees, executive, on H.R. 12391, proposed Food and Agriculture Act, 10:30 a.m., room F–82, Capitol.

Conferees, executive, on H.R. 12870, fiscal 1963 appropriations for military construction, 10 a.m., room P–63, Capitol.

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶ The Congressional Record will be furnished by mail to subscribers, free of postage, for $1.50 per month, payable in advance. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C. For subscription purposes, 20 daily issues constitute a month. The charge for individual copies varies in proportion to the size of the issue. ¶ Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and is sold by the Superintendent of Documents in individual parts or by sets. ¶ With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 12, 1962
For actions of Sept. 11, 1962
87th-2d, No. 163

CONTENTS

Alaska roads.....7	Foreign aid.....17	Public works.....13
ARS.....27	Foreign currency.....31	Quality stabilization....26
Assistant Secretary.....28	Foreign trade.....8,20,30	Radiation.....16
Atomic energy.....3	Forestry.....12,28	Research.....27
Cotton.....8,20,30	Information.....10	Roads.....7
Estes.....10,29	Land-grant colleges.....21	School lunch.....11
Family planning.....23	Lands.....18	Seashore.....6
Farm labor.....9	Monopolies.....14	Tariff.....4
Farm program.....1	Pay.....25	Textile imports.....8,20,30
Food.....17,22	Perishable commodities...2	Transportation.....24
Foreign affairs.....15	Prices.....22	Wheat.....19

HIGHLIGHTS: Sen. Thurmond criticized Tariff Commission decision on cotton textile import fee. Sen. Holland inserted Governor's conference report on protection against atomic fallout. Sen. Humphrey inserted Herbert Waters speech on importance of food in foreign aid program. Sen. Magnuson and several Representatives introduced bill to establish Assistant Secretary for Forestry Resources. Rep. Alexander introduced and discussed bills to restrict imports of cotton products.

HOUSE

1. FARM PROGRAM. The "daily Digest" states that "Conferees continue, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again tomorrow." p. D826

2. PERISHABLE COMMODITIES. Conferees were appointed on S. 1037, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and re-licensing. Senate conferees have already been appointed. p. 18005

3. ATOMIC ENERGY. Received the conference report on H. R. 11974, to authorize appropriations for the Atomic Energy Commission (H. Rept. 2342). pp. 17990-3 18047

4. TARIFFS. Passed as reported H. R. 12242, to provide for the tariff classification of certain particleboard. pp. 18003-4

5. TAXATION. Concurred in the Senate amendment to H. R. 6413, to extend to fishermen the same treatment accorded farmers in relation to estimated income tax. This bill will now be sent to the President. p. 18005

6. SEASHORE. Began dabate on S. 4, to provide for the establishment of the Padre Island National Seashore. pp. 18006-7, 18010-8

7. ROADS. The Subcommittee on Roads of the Public Works Committee voted to report to the full committee S. J. Res. 137, to authorize studies and surveys relative to a highway construction program in Alaska. p. D826

SENATE

8. COTTON TEXTILE IMPORTS. Sen. Thurmond criticized the decision of the Tariff Commission rejecting the request of this Department for imposition of an "equalization fee" on cotton-textile imports and inserted a Wall Street Journal analysis of the Commission's action. pp. 17900-01

9. FARM LABOR. Agreed to the House amendment to S. 1130, to authorize the appropriation of up to $3 million a year for fiscal years 1963, 1964, and 1965 to the Public Health Service to make grants to public and other nonprofit agencies for paying part of the cost of establishing and operating family health service clinics and special projects to improve health services for and the health conditions of domestic agricultural migratory workers and their families. This bill will now be sent to the President. pp. 17969-8

10. INFORMATION. Sen. Williams, Del., inserted several articles discussing the book, "Washington Cover-up," regarding the executive privilege in withholding information from the Congress, including a reference to the Estes case. pp. 17903-5

11. SCHOOL LUNCH. Sen. Javits submitted amendments intended to be proposed to H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the school lunch program. p. 17893

12. FORESTRY. The Interior and Insular Affairs Committee reported with amendment S. 3335, to revise the boundaries of the Big Hole Battlefield National Monument, Mont., including the transfer of land from the Beaverhead National Forest to the Monument (S. Rept. 2024). p. 17892

13. PUBLIC WORKS. Sen. Randolph commended passage of the public works acceleration bill and inserted an editorial, "Unemployment Challenge." pp. 17905-6

14. MONOPOLIES. Sen. Kefauver inserted an article, "Antitrust is Probusiness." pp. 17906-8

15. FOREIGN AFFAIRS. Sen. Hickenlooper inserted an article, "The Unselfish American," that itemizes U. S. investments abroad, including those for agriculture. pp. 17908-11

Committee To Sit: The Committee on Armed Services was granted permission to sit during debate of House sessions on Thursday and Friday next. Page 18005

Foreign Government Interest Rate: By a voice vote the House passed without amendment H.R. 12080, to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors. H. Res. 780, the rule making in order the consideration of the legislation, had been adopted earlier by a voice vote.

Pages 18005–18010

Padre Island National Seashore: Concluded the consideration of S. 4, to provide for the establishment of the Padre Island National Seashore, but upon development of a record vote on its passage, final disposition of the bill was deferred to Thursday as previously agreed. A committee substitute amendment that supplied new text was adopted after being altered by adoption of a perfecting amendment. Rejected an amendment that would have required the purchase of mineral, oil, and gas rights by the Federal Government as well as surface rights.

H. Res. 776, the rule under which the bill was considered, had been adopted earlier by a voice vote.

Pages 18006–18007, 18010–18018

Quorum Call: During the proceedings of the House today one quorum call developed and it appears on page 18006.

Program for Wednesday: Adjourned at 3:21 p.m. until Wednesday, September 12, at 12 o'clock noon, when the House will consider H.R. 12718, to amend the Atomic Energy Act to provide for disposal of federally owned properties at Los Alamos, N. Mex. (1 hour of debate).

Committee Meetings

SMALL BUSINESS ACT

Committee on Banking and Currency: Subcommittee No. 2 continued hearings on H.R. 10518, and related bills, to amend the Small Business Act, to provide that the program under which the Government contracts are set aside for small business concerns shall not apply in the case of contracts for maintenance, repair, or construction. Heard testimony from public witnesses. Hearings continue Wednesday, September 12.

SHARPE GENERAL DEPOT—CALIFORNIA

Committee on Government Operations: Subcommittee on Executive and Legislative Reorganization held a hearing on the construction of an airfield at Sharpe General Depot, Lathrop, Calif. Heard testimony from governmental officials and an Army representative.

AID

Committee on Government Operations: Subcommittee on Foreign Operations and Monetary Affairs continued hearings regarding the Agency for International Development. Heard testimony from various Agency for International Development officials. Adjourned subject to call of the Chair.

JUDICIAL MISCELLANY

Committee on the Judiciary: The committee met in executive session and ordered reported favorably to the House the following bills:

H.R. 555, for the relief of Elmore County, Ala.;

H.R. 5753 (amended), to provide that district courts shall be always open for certain purposes, to abolish terms of court, and to regulate the sessions of the courts for transacting judicial business;

H.R. 8337 (amended), to amend section 113(a) of title 28, U.S. Code, to provide that Federal District Court for the Eastern District of North Carolina shall be held at Goldsboro, Jacksonville, and Clinton;

S. 3156, to amend section 142, of title 28, U.S. Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held;

H.R. 11678, to waive section 142 of title 28, U.S. Code, with respect to the U.S. District Court for the Northern District of Ohio, Eastern Division, holding court at Akron, Ohio;

S. 1307, to amend section 128 of title 28, U.S. Code, to constitute Richland, Wash., a place of holding court for the eastern district of Washington, southern division, and to waive section 142 of title 28, U.S. Code, with respect to the U.S. District Court for the Eastern District of Washington, Southern Division, holding court at Richland, Wash.; and

H. Res. 774, to provide for sending H.R. 7561, for the relief of certain counties, cities, and other political subdivisions of the State of California, together with accompanying papers, to the Court of Claims.

Also took action on several private claim bills.

FISH

Committee on Merchant Marine and Fisheries: Subcommittee on Fisheries and Wildlife Conservation held a hearing on H.R. 11343, and related bills, to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; and H.R. 9547, to facilitate the application and operation of the Fish and Wildlife Act of 1956. Heard testimony from Representatives Miller of California and Johnson of California; Averell Harriman, Assistant Secretary of State for Far Eastern Affairs; and Department of Interior witnesses. Hearings continue Wednesday, September 12.

SECOND-CLASS MAIL

Committee on Post Office and Civil Service: Subcommittee, in executive session, ordered reported amended to the full committee H.R. 10696, to revise the requirements for information to be furnished annually to the Postmaster General by publications having second-class mail privileges.

Prior to taking action on the measure heard testimony in and open hearing from departmental and public witnesses.

FLOOD CONTROL

Committee on Public Works: Subcommittee on Rivers and Harbors continued hearings on title I of the omnibus rivers and harbors and flood control bill. Heard testimony from Corps of Engineers officials. Hearings continue, Wednesday, September 12.

HIGHWAYS—ALASKA

Committee on Public Works: Subcommittee on Roads, in executive session, ordered reported favorably to the full committee S.J. Res. 137, to authorize studies and surveys relative to a highway construction program in Alaska. Also continued discussion of the Inter-American Highway and Rama Road.

WEATHER SATELLITE

Committee on Science and Astronautics: Subcommittee No. 4 heard testimony from representatives of the Department of State on progress being made in the weather satellite development program.

Joint Committee Meetings

FARM BILL

Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H.R. 12391, proposed Food and Agriculture Act of 1962, but did not reach final agreement, and will meet again tomorrow.

APPROPRIATIONS—MILITARY CONSTRUCTION

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of H.R. 12870, fiscal 1963 appropriations for military construction, but did not reach final agreement, and will meet again tomorrow.

BILLS SIGNED BY THE PRESIDENT

New Laws

(*For last listing of public laws, see* DIGEST, *p. D821, September 10, 1962*)

H.R. 7782, to convey 3 acres of public land to the Prince Georges General Hospital, Maryland. Signed September 10, 1962 (P.L. 87–652).

H.R. 5532, to amend in several regards the Armed Services Procurement Act of 1947. Signed September 10, 1962 (P.L. 87–653).

H.R. 7278, authorizing Hawaii to dispose of portions of Kahului, Wailuku, and Maui, not used for airport purposes. Signed September 10, 1962 (P.L. 87–654).

S. 1308, to incorporate the Sea Cadet Corps of America. Signed September 10, 1962 (P.L. 87–655).

S. 2321, to authorize the licensing of human tissue banks in the D.C. Signed September 10, 1962 (P.L. 87–656).

COMMITTEE MEETINGS FOR WEDNESDAY, SEPTEMBER 12

(*All meetings are open unless otherwise designated*)

Senate

Committee on Appropriations, to resume its executive hearings on fiscal 1963 budget estimates for foreign aid, 2 p.m., 1223 New Senate Office Building.

Committee on Commerce, to continue its hearings on S. 3242 and S. 3243, the administration's transportation bills, 10 a.m., 5110 New Senate Office Building.

Committee on the District of Columbia, open followed by executive, on nominations and other committee business, 9:30 a.m., 6226 New Senate Office Building.

Committee on Finance, executive, on H.R. 11970, proposed Trade Expansion Act, 10 a.m., 2221 New Senate Office Building.

Committee on Foreign Relations, Subcommittee on American Republics Affairs, executive, to meet with Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs, 4:30 p.m., room F–53, Capitol.

Committee on Government Operations, Permanent Subcommittee on Investigations, on the financial activities of Billie Sol Estes, 2 p.m., 318 Old Senate Office Building.

Committee on the Judiciary, to hold hearings to enable certain steel company officials (Bethlehem Steel Corp., Republic Steel Corp., National Steel Corp., and Armco Steel Corp.) to show cause why they did not respond to subpenas issued recently by the Antitrust and Monopoly Subcommittee to appear and produce certain steel cost data, 10:30 a.m., 2228 New Senate Office Building.

Committee on Rules and Administration, executive, on committee business, 10 a.m., 301 Old Senate Office Building.

Select Committee on Small Business, to receive reports from the Defense Department and Small Business Administration on their small business procurement programs for 1962 and 1963, 10 a.m., room SE–226, Capitol.

House

Committee on Agriculture, on H.R. 11745, re land transfer, Florida; H.R. 11554, re land transfer, North Carolina; S. 2859, re crop insurance, increase number of new counties; S. 3517, re lumber industry; and S. 3120, re movement of diseased animals; to be followed by executive session on pending legislation, 10 a.m., 1310 New House Office Building.

Committees on Armed Services, Foreign Affairs, joint committee meeting, executive, briefing by Secretary of State Dean Rusk, and representatives of the Defense Department and the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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CONTENTS

Acreage allotments....3,13
Administrative provisions.....3
Agricultural appropriations.....2
Appropriations.....2
Cotton.....13,17
Crop insurance.....3
Economics.....14,18
Employment.....14
Estes.....13
Farm program.....1
Federal-State cooperation.....3,8,15
FHA loans.....3
Foreign aid.....2
Foreign trade.....16,17
Forest Service.....3,7
Forestry.....3,7
Guam.....3
Household effects.....9
Imports.....9,17
Information.....11
Lands.....3
Law enforcement.....3
Livestock disease.....3
Loans.....3
Lobbying.....6
Lumber.....3
Monopolies.....5
Personnel.....9
Poultry disease.....3
Rice.....3
Roads.....4
Sec. 32 funds.....3
Tobacco.....3
Vocational education....12
Water resources.....15
Wetlands.....3
Youth Conservation Corps.....10

HIGHLIGHTS: House committee voted to report bills to increase number of new counties eligible for crop insurance, further restrict interstate movement of diseased livestock and poultry, increase limitation on FHA loans, extend time for leasing tobacco allotments, facilitate work of Forest Service, facilitate USDA administrative operations, and provide cooperation with States in administration of agricultural laws. Conferees granted permission to file conference report on USDA appropriation bill by midnight, Sept. 12. Senate passed bills to: Increase authorization for Cooperative Forest Management Act. Provide for cooperation with States in administration of agricultural laws. Senate concurred in House amendment to bill to expand survey of forest resources. Sen. Morse discussed recent criticisms of administration of national forests.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that "Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 12391, proposed Food and Agriculture Act of 1962, and reached tentative agreement thereon, and will meet again on Friday, September 14." p. D834

2. APPROPRIATIONS. The conferees were granted until midnight Wed., to file a conference report on H. R. 12648, the agricultural appropriation bill for 1963. p. 18127

Received and agreed to the conference report on H. R. 12870, the military construction appropriation bill (H. Rept. 2356). pp. 18173-6, 18178

The Appropriations Committee was granted permission to report the foreign aid appropriation bill on Tues., Sept. 18, and bring it to the floor on Thurs., Sept. 20. p. 18132

3. AGRICULTURE COMMITTEE. The Agriculture Committee voted to report (but did not actually report) S. 2859, to amend the Federal Crop Insurance Act, as amended, in order to increase from 100 to 150 the number of new counties in which crop insurance may be offered each year; S. 3120, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry; H. R. 11111, to authorize the Secretary of Agriculture to sell and convey certain forest lands in Iowa; H. R. 12434 (amended), omnibus bill to facilitate the work of the Forest Service; H. R. 12653 (amended), to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such Act; H. R. 12855 (amended), relating to the lease and transfer of tobacco acreage allotments; H. R. 12811 (amended), omnibus bill to facilitate the work of the Department of Agriculture; H. R. 12802, to provide further for cooperation with States in administration and enforcement of certain Federal laws; and S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program. The Committee passed over without prejudice S. 3517, earmark Sec. 32 funds to establish and carry out a program to promote the flow of domestically produced lumber in commerce; and S. 2121, to establish Federal agricultural services to Guam; and voted to accept Senate amendments to H. R. 8520, to limit financial and technical assistance for drainage of certain wetlands. p. D833

4. ROADS. The Public Works Committee voted to report (but did not actually report) S. J. Res. 137, to authorize the Secretary of Commerce, in cooperation with Alaska, to undertake studies and surveys relative to a highway construction program for Alaska. p. D834

5. MONOPOLIES. The Interstate and Foreign Commerce Committee reported with amendment H. J. Res. 636, the proposed Quality Stabilization Act (H. Rept. 2352). p. 18178

6. LOBBYING. Received from the Clerk of the House and the Secretary of the Senate the quarterly reports pursuant to the Regulation of Lobbying Act. pp. 18180-211

SENATE

7. FORESTRY. Passed without amendment H. R. 9728, to increase the amount authorized to be appropriated to carry out the Cooperative Forest Management Act from $2.5 million to $5 million. This bill will now be sent to the President. pp. 18071-2

Passed without amendment S. 3589, to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn., and exchange them with Minn. for State-owned lands in the Superior National Forest. p. 18072

Concurred in the House amendment to S. 3064, to increase the authorization for the national survey of forest resources from $1.5 to $2.5 million annually. This bill will now be sent to the President. p. 18073

Passed with amendment S. 3335, to revise the boundaries of the Big Hole Battlefield National Monument, Mont., including the transfer of land from the Beaverhead National Forest to the Monument. p. 18073

Sen. Morse discussed recent criticism of the administation of the national forests and stated that "Secretary Freeman is now addressing himself to this problem" and that "These times require a reassessment of procedures, a reanalysis of attitudes, the communication of ideas, but most of all an improvement in performance." pp. 18106-7

Committee Meetings

AGRICULTURAL MISCELLANY

Committee on Agriculture: Met in executvie session and ordered reported favorably to the House the following bills:

H.R. 11745, a private bill;

H.R. 11554, a private bill;

S. 2859, to amend the Federal Crop Insurance Act, in order to increase the number of new counties in which crop insurance may be offered each year;

S. 3120, regarding the movement of diseased animals;

H.R. 11111, to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa;

H.R. 12434 (amended), to facilitate the work of the Forest Service;

H.R. 12653 (amended), to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act;

H.R. 12855 (amended), relating to the lease and transfer of tobacco acreage allotments;

H.R. 12811 (amended), to facilitate the work of the Department of Agriculture;

H.R. 12802, to provide further for cooperation with States in administration and enforcement of certain Federal laws; and

S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program.

Passed over without prejudice S. 3517, to establish and carry out a program to promote the flow of domestically produced lumber in commerce; and S. 2121, to establish Federal agricultural services to Guam; and voted to accept Senate amendments to H.R. 8520, to limit financial and technical assistance for drainage of certain wetlands.

JOINT BRIEFING

Committees on Armed Services, Foreign Affairs: The committees met in executive session for a joint briefing on critical world problems by Secretary of State Dean Rusk; William P. Bundy, Deputy Assistant Secretary of Defense for International Security Affairs; and Lt. Gen. Marshall S. Carter, Acting Director, Central Intelligence Agency.

HOME LOANS

Committee on Banking and Currency: Subcommittee on Housing heard testimony from Joseph P. McMurray, Chairman, Federal Home Loan Bank Board, on H.R. 13044, to amend the Home Owners Loan Act of 1933, and the Federal Home Loan Bank Act.

In executive session ordered the bill reported favorably to the full committee.

SMALL BUSINESS ACT

Committee on Banking and Currency: Subcommittee No. 2 continued hearings on H.R. 10518, and related bills, to amend the Small Business Act, to provide that the program under which Government contracts are set aside for small business concerns shall not apply in the case of contracts for maintenance, repair, or construction. Heard testimony from public witnesses. Hearings continue Thursday, September 13.

D.C. BUSINESS

Committee on the District of Columbia: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 12690, to permit investment of funds of insurance companies organized within D.C. in obligations of the Inter-American Development Bank;

H.R. 12417, to establish a small claims and conciliation branch in the municipal court for D.C.;

S. 1651 (amended), to authorize the Commissioners of D.C. to delegate the function of approving contracts not exceeding $100,000;

S. 2795 (amended), to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of D.C.;

H.R. 12546 (amended), to amend the Life Insurance Company Act of D.C.;

H.R. 12762 (amended), to amend the D.C. Unemployment Compensation Act; and

S. 2977, to amend the Life Insurance Act of D.C.

SHARPE GENERAL DEPOT—CALIFORNIA

Committee on Government Operations: Subcommittee on Executive and Legislative Reorganization heard testimony from Department of Army personnel regarding construction of an airfield at Sharpe General Depot, Lathrop, Calif. Hearings continue Thursday, September 13.

PRIVATE CLAIMS

Committee on the Judiciary: Subcommittee No. 2 took testimony and, in executive session, acted on several private claim bills.

FISH

Committee on Merchant Marine and Fisheries: Subcommittee on Fisheries and Wildlife Conservation concluded hearings on H.R. 11343, and related bills, to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; and H.R. 9547, to facilitate the application and operation of the Fish and Wildlife Act of 1956. Testimony was given by Department of Interior witnesses (H.R. 9547); and a public witness (H.R. 11343).

HIGHWAYS—ALASKA

Committee on Public Works: Met in executive session and ordered reported favorably to the House the following bills:

S.J. Res. 137, to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska; and

H.R. 11047, to change the name of the Redondo Beach Harbor, Calif., to the Redondo Beach King Harbor, Calif.

Also approved four navigation resolutions.

Joint Committee Meetings

FARM BILL

Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H.R. 12391, proposed Food and Agriculture Act of 1962, and reached tentative agreement thereon, and will meet again on Friday, September 14.

AID TO HIGHER EDUCATION

Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H.R. 8900, authorizing Federal financial assistance for institutions of higher education, but did not reach final agreement, and will meet again on Monday, September 17.

APPROPRIATIONS—MILITARY CONSTRUCTION

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 12870, fiscal 1963 appropriations for military construction.

COMMITTEE MEETINGS FOR THURSDAY, SEPTEMBER 13

(*All meetings are open unless otherwise designated*)

Senate

Committee on Appropriations, to continue executive hearings on fiscal 1963 budget estimates for foreign aid, 10 a.m. and 2 p.m., 1223 New Senate Office Building.

Committee on Armed Services, executive, on committee business, 10:30 a.m., 212 Old Senate Office Building.

Committee on Banking and Currency, executive, on H.R. 7796, limitations on real estate loans; H.R. 8874, re bank service corporations; H.R. 12577, trust powers of national banks; H.R. 12899, bank branches on conversion, etc.; H.R. 12628, housing for the elderly; H.R. 12080, interest rates on time deposits of foreign governments; and the nomination of Paul J. Maguire, of New York, to be assayer of the U.S. Assay Office at New York, 10 a.m., 5302 New Senate Office Building.

Committee on Commerce, to continue its hearings on S. 3242 and S. 3243, the administration's transportation bills, 9:30 a.m., 5110 New Senate Office Building.

Merchant Marine and Fisheries Subcommittee, to resume hearings on S. 3649, relating to the vessels *Montauk* and *Glenbrook,* 10 a.m., 1318 New Senate Office Building.

Committee on Finance, executive, on H.R. 11970, proposed Trade Expansion Act, 10 a.m., 2221 New Senate Office Building.

Committee on Government Operations, Permanent Subcommittee on Investigations, on the financial activities of Billie Sol Estes, 10 a.m., 318 Old Senate Office Building.

Committee on the Judiciary, to continue its hearings on the nomination of Arthur J. Goldberg, to be an Associate Justice of the Supreme Court, 10:30 a.m., 2228 New Senate Office Building.

Committee on Labor and Public Welfare, Subcommittee on Health, on S. 2269 and H.R. 11099, authorizing establishment within the PHS of a National Institute of Child Health and Human Development and a National Institute of General Medical Sciences, 10 a.m., 4232 New Senate Office Building.

Committee on Public Works, Subcommittee on Flood Control—Rivers and Harbors, to continue hearings on the omnibus flood control bill, 10 a.m., 4200 New Senate Office Building.

House

Committee on Armed Services, executive, on H.J. Res. 876, re President's standby authority to call up Reserves, 10 a.m., 313–A Old House Office Building.

Committee on Banking and Currency, executive, on pending business, 11 a.m., 1301 New House Office Building.

Subcommittee No. 2, on H.R. 10518, and related bills, to amend the Small Business Act, 10 a.m., 1301 New House Office Building.

Committee on the District of Columbia, Subcommittee No. 4, executive, on pending legislation, 10 a.m., 445–A Old House Office Building.

Committee on Education and Labor, executive, on pending business, 9:45 a.m., 429 Old House Office Building.

Committee on Foreign Affairs, Subcommittee on Europe, on captive nations, 10 a.m., P–58, U.S. Capitol Building.

Committee on Government Operations, Subcommittee on Intergovernmental Relations, on grain storage, 10 a.m., caucus room, Old House Office Building.

Subcommittee on Executive and Legislative Reorganization, on Sharpe General Depot, Lathrop, Calif., airfield construction project, 9:30 a.m., 1501–B New House Office Building.

Committee on Interior and Insular Affairs, Subcommittee on Public Lands, on S. 1065, H.R. 11710, H.R. 12473, and H.R. 9098, public lands measures, 9:45 a.m., 1324 New House Office Building.

Committee on the Judiciary, Subcommittee No. 1, on population and immigration study, 10 a.m., 327 Old House Office Building.

Committee on Post Office and Civil Service, executive, on pending business, 10 a.m., 215 Old House Office Building.

Committee on Public Works, Subcommittee on Rivers and Harbors, on title I of the omnibus rivers and harbors and flood control bill, 10 a.m., 1302 New House Office Building.

Committee on Science and Astronautics, Subcommittee No. 4, on weather satellite program, 10 a.m., 214–B New House Office Building.

Committee on Ways and Means, executive, on miscellaneous bills, 10 a.m., committee room, New House Office Building.

Select Committee on Export Control, on policy changes since amendment of Export Control Act, 9:30 a.m., 304 Old House Office Building.

Joint Committee

Joint Committee on Atomic Energy, to hold hearings on progress in the development of nuclear rockets and other atomic energy devices for use in space, 10 a.m. and 2 p.m., room AE–1, Capitol.

Conferees, executive, on S. 1037, proposed Perishable Agricultural Commodities Act, 10 a.m., room F–82, Capitol.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 18, 1962
For actions of Sept. 17, 1962
87th-2d, No. 167

CONTENTS

Agricultural appropriations.....2
Air pollution.....11
Appropriations.....2
Cooperation.....5
Cotton.....25
Education.....9,11
Expenditures.....24
Farm commodities.....21
Farm program.....1,23
FHA loans.....4
Flood control.....8
Foreign trade.....16
Forest Service.....3
House Rules.....14
Imports.....22,25
Lands.....17,18
Laws.....5
Life insurance.....13
Loans.....4
Minerals.....17
Mining.....10
Patents.....15
Personnel.....13
Petrified wood.....17
Reorganization.....24
Small business.....15
Textiles.....22
Tobacco acreage.....6
Transportation.....20
Trademarks.....19
Veterans.....12
Wildlife.....7

HIGHLIGHTS: House received conference report on farm bill. House received conference report on agricultural appropriation bill. House passed bill to facilitate work of Forest Service. House began debate on bill to increase FHA loan authorization. House committee reported (on Sept. 15) bills to extend time for leasing tobacco acreage allotments and provide for cooperation with States in administration of agricultural laws. Senate began debate on foreign trade bill. Sen. Bennett introduced and discussed bill to establish Commission on Governmental Operations and Programs.

HOUSE

1. FARM PROGRAM. Received the conference report on H. R. 12391, the proposed Food and Agriculture Act of 1962 (H. Rept. 2835). pp. 18534-45, 18583, D853

Rep. Cooley summarized the provisions of the revised bill as follows:

"Title I--Land-Use Adjustment
Section 101

"This section amends the Soil Conservation and Domestic Allotment Act to provide for continued Federal administration of the agricultural conservation program and provides authority for the Secretary of Agriculture to carry out long-range conservation plans with individual farmers and ranchers in all agricultural areas through agreements for periods not to exceed 10 years to provide for changes in cropping systems and land use, and for development of soil, water, forest, wildlife and recreation resources by means of cost sharing and other assistance.

"Agreements may not be entered into covering land with respect to which the ownership has changed in the 2-year period preceding the first year of the contract period except with successors by inheritance or purchasers during the contract period. Agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of 5 years.

"The Secretary cannot enter into agreements providing for assistance in amounts in excess of $10 million for any calendar year, except that for calendar year 1963 he may provide assistance with respect to lands previously covered by conservation reserve contracts in an amount not exceeding an additional $15 million.

"Section 102

"The amendments to title III of the Bankhead-Jones Farm Tenant Act include changes in section 31 to provide for the protection of fish and wildlife, but prohibits the building of industrial parks or establishing private industrial or commercial enterprises. They provide that the Secretary of Agriculture may cooperate with Federal, State, and local public agencies in developing and carrying out plans for land conservation and land utilization. This will include the furnishing of technical assistance and loans.

"These amendments authorize the Secretary of Agriculture to assist State and local public agencies designated by the Governor or the State legislature, through loans, to carry out land utilization plans. ...

"Repayment of loans would be required in not more than 30 years, with interest at the average rate paid by the Treasury on obligations of similar maturity.

"The Governor or appropriate State agency would have 45 days to disapprove plans of State or local agencies. A single loan over $250,000 would have to be approved by appropriate congressional committees. Repayment of loans may be deferred for not to exceed 5 years.

"Sections 103 through 106 would make several important changes in Watershed Protection and Flood Prevention Act.

"Section 103 would make three changes in the existing authority continued in this act.

"First. It adds recreational development as a purpose for cost sharing. ... It authorizes the Secretary to bear not to exceed one-half of the cost of land, easements, and right-of-way for reservoir or other areas to be available for public recreation and of providing minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. ...

"Second. It authorizes the Secretary to advance funds to local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid with interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

"Third. It would establish new criteria for Federal cost sharing for all purposes other than flood prevention and municipal or industrial water supply based on the principle of consideration of national needs and assistance authorized for similar purposes under other Federal programs. ...

"Section 104 would provide authority to the Secretary ... to assist local organizations in developing municipal and industrial water supply for future use.

"Section 105 would delete certain obsolete language and would clarify the authority of the Secretary to provide engineering services for municipal and industrial water supply on a reimbursable basis.

"Section 106 would specifically provide that amendments included in sections 103 and 104 and all subsequent amendments to section 4 of the Watershed Protection and Flood Prevention Act are made equally applicable to the 11 watersheds authorized under the Flood Control Act of 1944.

"Title II--Agricultural Trade Development

"The provisions of title II relate to long-term supply contracts through dollar credit export sales under title IV of Public Law 480 and also to the nonprofit school lunch programs carried out overseas through the charitable organizations and intergovernmental agencies like UNICEF.

"In the title IV, Public Law 480, long-term dollar credit sales, one of the most significant amendments is to authorize agreements with the private trade in addition to those which had previously been authorized with the governments of friendly nations. ...

"The Secretary of Agriculture is authorized to enter into sales agreements with foreign and U.S. private trade firms and institutions. The agreements with the private trade also must provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for commodities sold under the agreement.

"The use of financial institutions acting in behalf of friendly nations would be authorized in addition to the previous authority to enter into agreements directly with the government agencies of friendly countries.

"The payment provisions are also modified to permit scheduling payments in reasonable, rather than approximately equal, annual amounts, and the date for beginning annual payments may be deferred for not more than 2 years after the last delivery in each calendar year.

"A change was also adopted in the provision relating to participation by other friendly and historic supplying nations in the supply and assistance program authorized under title IV. Existing legislation required the Secretary of Agriculture to endeavor to reach agreements with other exporting nations, whereas the amendment makes this authorization discretionary with the Secretary. Title IV is also amended so as to make applicable the policies of utilizing private trade channels and emphasizing market development, as in the case of foreign currency sales.

"Sections 202 through 205 relate to the nonprofit school lunch program, ...

"In addition to the authority for donation of commodities from the stocks of CCC and the purchases made pursuant to specific statutory authorizations, donations are specifically authorized for use in nonprofit school lunch programs outside the United States as well as assistance of needy persons.

" ... provides that the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of these school feeding programs outside the United States on a basis of ability to pay. In addition to clarifying the availability of commodities for these programs, it is provided that the programs shall be undertaken with the understanding that commodities will be available for them only in accordance with the provisions of these authorizing statutes, and the usual priorities as established in the provisions of section 416 of the Agricultural Act of 1949, as amended, with respect to commodities made available under section 416.

"The 1963 Feed Grain Program

"For the 1963 crop of corn, grain sorghum, and barley, producers can participate voluntarily by reducing their 1959-60 base acreage of those three crops by a minimum of 20 percent and up to 50 percent. Up to 25 acres may be diverted on any farm notwithstanding the maximum diversion rate of 50 percent. Participating producers will be eligible for price support on corn at $1.20 per bushel, to be provided through a price support loan at a national average rate of $1.02, and payment in kind of 18 cents per bushel from CCC stocks. Participating producers will also receive diversion payments computed at 50 percent

of the value--at the price support level--of normal production on the diverted acreage.

"No price support will be available to nonparticipants. The Commodity Credit Corporation will assist producers in marketing their payment-in-kind certificates. Feed grains provided by the Commodity Credit Corporation for certificates shall be valued at not less than the support price minus the 18 cents payment in kind.

"Unlike the 1962 program, barley will be included in the corn and sorghum program. Also, the provisions for production crops such as sesame and safflower on diverted acres are nearly identical with the 1962 provisions, and include authority for the Secretary to make partial diversion payments on such acreage.

" ...

"The 1963 Wheat Program

" ... a voluntary diversion program for 1963 crop wheat similar to the 1962 program and to the 1963 feed grain program. Producers would be eligible for price support at $1.82 per bushel, if they do not exceed their farm acreage allotment based upon the 55 million acre national allotment. Producers would also be able to voluntarily participate in an acreage diversion program for the 1963 crop of wheat, and if they divert at least 20 percent of their wheat allotment or in the case of small farms of less than 15 acres of their average plantings of wheat for 1959, 1960 and 1961, to conservation uses, would be eligible for diversion payment equal to 50 percent of the value of normal production on the diverted acreage, and for payment in kind at a rate of 18 cents per bushel on the normal production of the acreage devoted to wheat. Therefore, producers who participate in this special program would receive price support at $2 per bushel, through the combination of the loan and the payment-in-kind programs. The maximum diversion on any farm would be either 50 percent of the allotment or in case of small farms, up to 10 acres.

"Provisions relating to the production of crops such as safflower and sesame would be essentially the same as for feed grains.

"The 1964 Feed Grain Program

" ...

"The conference report requires that beginning with the 1964 crop corn, price supports would be between 50 and 90 percent of parity at such a level as the Secretary determines would not add to CCC stocks of corn. Price supports for other feed grains would be related to corn.

"The 1964 Wheat Program

" ...

"There are two principal features of the permanent wheat provisions of the conference report. The first would eliminate the 55 million acre national allotment and would authorize the Secretary to estimate the total requirements for wheat in the coming year and to announce an acreage allotment large enough to meet those requirements. ... Producers would qualify for diversion payments for 2 years on an acreage equal to the difference between their new allotment under the bill and their wheat allotment in 1961. ...

" ... A marketing certificate program which would assure producers of price supports between 65 and 90 percent of parity for their share of wheat used for food and for a large portion of the exports would be substituted for the present price support system. ...

" ...

"There are other important provisions in the permanent wheat program:

First. The 15 acre exemption under which any farmer could grow 15 acres of wheat would be terminated permanently. Producers who have built up an acreage history under this provision, however, would be credited with their 3-year average acreage.

Second. Producers with 15 acres or less could also decide whether they wanted to be subjected to the program or exempt from it, and if they decided

to be subject to the program could divert as much as their entire acreage for payment.

"Third. Certain crops not in surplus supply, such as safflower, sesame, and other minor crops, could be produced on diverted acreage at the discretion of the Secretary, and partial diversion payments could be made.

"Fourth. If more than one-third of the producers voting in the referendum opposed the program, price support would be provided at 50 percent of parity to cooperators.

" ...

"The bill provides also that the Secretary may increase the allotment for any type of wheat which would otherwise be in short supply. ...

"Authority is provided also for the Secretary to permit wheat to be produced on feed grain acreages to such extend and under such conditions as will not impair the operation of the wheat program. It is understood that this authority would not be used except in the case when an acreage diversion program for feed grains was in effect.

" ...

"Title IV--Farmers Home Administration

"The bill makes the following changes in the lending authorities of the Farmers Home Administration:

"First. Adds "recreational uses and facilities" to the purposes for which real estate loans may be made or insured to the owner-operators of not larger than family farms.

"Second. Adds "shifts in land use including the development of recreational facilities" to the purposes for which loans may be made or insured to associations serving farmers and other rural residents.

"Third. Adds "recreational uses and facilities" to the purposes for which operating loans may be made to the operator of not larger than family farms.

"Fourth. Adds a definition of farmers to include persons engaged in fish farming among farmers eligible for loans, and

"Fifth. Increases from 10 to 25 million the aggregate of the real estate loans which the Secretary may make out of the insurance fund to be sold and insured, which are on hand and not disposed of at any one time." pp. 18574-7

2. AGRICULTURAL APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 12648 (H. Rept. 2381) (pp. 18487-9, 18583). Attached to this digest is a copy of the conference report and a summary of the action of the conferees.

3. FOREST SERVICE. Passed as reported H. R. 12434, to facilitate the work of the Forest Service (pp. 18560-1). This bill was reported with amendment on Sept. 15 (H. Rept.2377)(p. 18583).

4. LOANS; FHA. Began debate on H. R. 12653, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from $150 million to $200 million annually the limitation on the amount of loans which may be insured under such Act (p. 18561). This bill was reported with amendment on Sept. 15 (H. Rept. 2378)(p. 18583).

5. COOPERATION. The Agriculture Committee reported on Sept. 15 (during adjournment of the House) without amendment H. R. 12802, to authorize the Secretary of Agriculture to cooperate with States in the administration and enforcement of Federal laws relating to the marketing of agricultural products and to the eradication or control of plant and animal diseases and pests. (H. Rept. 2379) p. 18583

6. TOBACCO. The Agriculture Committee reported on Sept. 15 (during adjournment of the House) with amendment H. R. 12855, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotments so as to exclude cigar-filler and cigar-binder tobacco, types 42,43,44,53,54, and 55, from the lease and transfer authority. (H. Rept. 2380). p. 18583

7. WILDLIFE. The Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee voted to report to the full committee S. 1988, to aid in the administration of the Tule Lake, Lower Klamath, and Upper Klamath National Wildlife Refuges in Oregon and California. p. D853

8. FLOOD CONTROL. Received from the Budget Bureau plans for works of imporvement relating to the following watersheds: Crooked Bayou, Ark.; West Fork of Pond River, Ky.; Hardin Creek, Tenn.; and Mill Creek, Tenn.; to Agriculture Committee. p.18583

Received from the Budget Bureau plans for works of improvement relating to the following watersheds; Tobesofkee, Ga. (supplemental); Cottonwood Creek, Okla.; and Delaware Creek, Okla.; to Public Works Committee. p. 18583

9. EDUCATION. The "Daily Digest" states that "Conferees, in executive session, reached agreement on the differences between the Senate- and House-passed versions of H. R. 8900, authorizing Federal financial assistance for institutions of higher education, and will meet again on Wednesday, September 19, to sign a conference report thereon." p. D853

10. MINING. Passed with amendment S. 3451, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed. A similar bill, H. R. 12761, was laid on the table. pp. 18532-4, 18545-50

11. AIR POLLUTION. Passed with amendment S. 455, to provide for public hearings on air pollution problems of more than local significance under, and extend the duration of, the Federal air pollution control law. A similar bill, H. R. 12833, which was earlier passed under suspension of the rules, was laid on the table. pp. 18556-60

12. EDUCATION; VETERANS. Passed with amendment S. 2697, to amend title 38, U.S.C., to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. A similar bill, H. R. 9962, was laid on the table. pp. 18489-92

13. PERSONNEL. The Post Office and Civil Service Committee reported with amendment S. 1070, to amend the Federal Employees' Group Life Insurance Act of 1954, as amended, so as to provide for an additional unit of life insurance (H. Rept. 2383). p. 18583

14. HOUSE RULES. Rep. Reuss urged five amendments to the Rules of the House of Representatives intended to expedite the business of Congress. pp. 18567-70

15. SMALL BUSINESS. Rep. Roudebush discussed the American patent system and said, "It is my firm conviction that the Congress must not take any precipitate action to alter our patent system." pp. 18577-81

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2385

FOOD AND AGRICULTURE ACT OF 1962

SEPTEMBER 17, 1962.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12391]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12391), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

85006—62——1

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: Provided, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: Provided, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(6) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for

the program authorized under this subsection: Provided, That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding $15,000,000."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public

obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: Provided, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: Provided further, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: And provided further, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: Provided, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: Provided further, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "Provided further, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 205. In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section.

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed Grains

Sec. 301. Section 105(c) of the Agricultural Act of 1949, as amended, is amended by adding the following new paragraphs (5) and (6):

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Eighteen cents per bushel of the support price for corn, and a comparable portion of the support price for grain sorghums and barley shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest in 1963 by the adjusted average yield per acre for the 1959 and 1960 crop acreage of such feed grain. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for corn, grain sorghums, and barley (such feed grains to be valued by the Secretary at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley, price support shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

Sec. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(g) *Notwithstanding any other provision of law—*

"(1) *The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: Provided, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the ex-*

tent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (valued at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

SEC. 305. The Agricultural Act of 1949, as amended, is amended by striking out subsection (a) of section 105 and inserting in lieu thereof the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

Subtitle B—Wheat

PROGRAM FOR 1963

Sec. 306. Price support for the 1963 crop of wheat shall be made available as provided in section 101 of the Agricultural Act of 1949, as amended, except that (1) price support shall be made available only to cooperators, and only in the commercial wheat-producing area, (2) if the operator of the farm elects to participate in the program formulated under section 307—

(A) price support shall be made available to the producers on such farm only if such producers divert from the production of wheat in accordance with the provisions of such program and acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide, and

(B) the level of price support for wheat of the 1963 crop to such participating producers shall be at a national average of two dollars per bushel and the amount by which such level of two dollars per bushel exceeds the national average level available to cooperators who are not participating producers shall be made available as hereinafter provided, and

(3) the national average level of price support for wheat of the 1963 crop to cooperators who are not participating producers shall be one dollar and eighty-two cents per bushel. The amount by which the level of two dollars per bushel exceeds the level of price support available to cooperators who are not participating producers shall be made available through payments in kind, on the number of bushels of wheat determined by multiplying the actual acreage of wheat planted on the farm for harvest in 1963 by the normal yield of wheat for the farm. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for wheat (such wheat to be valued by the Secretary at not less than the current support price for wheat to cooperators who are not participants in the program formulated under section 307) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. For purposes of section 407 of the Agricultural Act of 1949, the "current support price" for wheat during the marketing year for the 1963 crop shall be the support price for such crop to cooperators who are not participants in the program formulated under section 307.

Sec. 307. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be eligible for payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to 20 per centum of the higher of (i) the

average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered, but not to exceed 15 acres, or (ii) the farm acreage allotment for the 1963 crop of wheat. Such producers may divert additional acreage on the farm not in excess of the larger of one and one-half times the amount diverted under the preceding sentence or such acreage as will bring the total acreage diverted to 10 acres: Provided, That the total acreage diverted shall not exceed the larger of (i) or (ii) of the preceding sentence.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: Provided, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) The actual acreage planted to wheat for harvest on the farm in 1963 shall be reduced by the total amount of acres diverted under this section below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the 1963 crop of wheat;

(B) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961 with adjustments as provided above, not not to exceed 15 acres.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be eligible for payments which shall be made by Commodity Credit Corporation in cash or wheat not in excess of 50 per centum of the value, at the estimated basic county support rate (available to cooperators who are not participants in the program formulated pursuant to this section) per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to special crops pursuant to the proviso in subsection (a)(2) of this section, payment for

which shall be computed in accordance with subsection (b)(4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at not less than the current support price for wheat to cooperators who are not participants in the program formulated pursuant to this section. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to special crops pursuant to the proviso of subsection (a)(2) of this section shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(d) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(e) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(f) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(g) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted hereunder, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(h) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is

authorized to be appropriated such amounts as may be necessary to pay administrative expenses necessary in carrying out this section after June 30, 1963.

Sec. 308. (a) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period to a comma at the end of the next to the last sentence and adding the following: "or section 307 of the Food and Agriculture Act of 1962."

(b) The special wheat program formulated under section 307 of this Act shall not be applicable to any farm receiving an additional allotment under section 334(i) of the Agricultural Adjustment Act of 1938, as amended.

Sec. 309. Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), as amended, is amended by changing the period at the end thereof to a colon, and adding the following: "Provided, further, that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 15 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

PROGRAM FOR 1964 AND SUBSEQUENT CROPS

Subtitle B—Wheat

Sec. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to

determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 and 1963 crops".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State,

and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage

or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a)(1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multi-

plying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1964 and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer

shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of

such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) by amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and

adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat", by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,", and by inserting in said paragraph after "determined" the following: "in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1964 or any subsequent year and the marketing years beginning in the calendar year 1964, or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing

allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) *The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.*

"(b) *No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.*

"(c) *Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).*

"(d) *Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.*

"MARKETING RESTRICTIONS

"SEC. 379d. (a) *All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accord-*

ance with regulations prescribed by the Secretary. Any unused certificates legally held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales or exportations made on or after the date so determined by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product composed wholly or partly of wheat to be used for human consumption, including beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and food products, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition,

disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101, and

"(5) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which

he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), and (g) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

SEC. 327. In the establishment of State, county, and farm acreage allotments for wheat under the Agricultural Adjustment Act of 1938, as amended, the acreage which is determined under regulations of the Secretary to have been diverted from the production of wheat under the special programs formulated pursuant to section 307 of this Act, section 339 of the Agricultural Adjustment Act of 1938, as amended, and section 124 of the Agricultural Act of 1961, shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of wheat.

SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By inserting in section 303 after "use and conservation" a comma and the following "including recreational uses and facilities";

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land use including the development of recreational facilities,";

(3) By striking out in section 309 (f) (1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000";

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

SEC. 402. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 403. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": Provided, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest."

SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

And the Senate agrees to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
J. FLOYD BREEDING,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendment of the Senate to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommends in the accompanying conference report.

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted language which generally followed the subject matter of the House bill but was different in numerous substantial respects. The following summary indicates the major differences between the House and Senate versions of the bill and the action taken by the conferees:

TITLE I—LAND USE ADJUSTMENT

1. *Long-term diversion contracts.*

(a) *House* limited contracts to 10 years.

Senate limited contracts to 15 years.

Conference agreed to 10 years. Also agreed to House language with respect to change in cropping systems and land use.

(b) *House* did not provide for diversion to recreation and nonagricultural purposes.

Senate provided for such diversion.

Conference agreed to Senate language without nonagricultural purposes.

(c) *House* limited tree cover payments to 5 years.

Senate did not include such limit.

Conference agreed to House provision.

(d) *House* prohibited agreements on land acquired within 2 years, subject to certain exceptions.

Senate did not contain such prohibition.

Conference agreed to House language.

(e) *House* did not contain acreage history preservation provision.

Senate authorized Secretary to provide for preservation or surrender of history.

Conference agreed to Senate language.

(f) *House* did not limit payments.

Senate limited payments to $10 million per year.

Conference agreed to $25 million with $10 million earmarked for new contracts, plus amendment permitting use of CCC funds in fiscal 1963.

The Department of Agriculture is requested by the committee of conference to make a study and report early next year on problems connected with expiring conservation reserve contracts.

2. *House* did not contain provision for use of CCC in making ACP and long-term contract payments.

Senate contained such provision.

Conference agreed to Senate language.

3. *Bankhead-Jones Act amendments.*

(a) *House* excluded building of industrial parks or private industrial commercial enterprises from the purposes of the Bankhead-Jones Act and struck out a specific reference to the retirement of submarginal lands.

Senate struck protection of health, safety, and welfare from purposes, inserted a specific reference to the more economic use of lands, and to providing public recreation.

Conference agreed to House provision.

(b) *House* did not repeal authority to acquire submarginal lands (including by condemnation).

Senate repealed such authority.

Conference agreed to Senate language.

(c) *House* provided for any type of assistance to any type of agency, public or private, in developing and carrying out land utilization plans.

Senate provided for cooperation with Government agencies in developing plans, limited assistance in carrying out plans to loans to State or local public agencies, subject to a number of conditions.

Conference agreed to Senate language.

4. *Watershed Act.*

(a) *House* did not contain provision for recreation.

Senate permitted Secretary to (i) pay up to one-half of costs of lands and related facilities for public recreation areas, including fish and wildlife; (ii) pay an equitable share of installation costs for recreational phases; (iii) advance funds for immediate land acquisition to prevent encroachment. Senate also changed installation cost-sharing formula from a direct identifiable benefit basis to one which considers national needs and assistance authorized for similar purposes under other Federal programs.

Conference agreed to Senate provision with a House amendment limiting recreation areas to not more than one for each 75,000 acres of watershed.

(b) *House* increased maximum flood prevention capacity to 12,500 acre-feet.

Senate did not have a similar provision.

Conference agreed to strike House language.

(c) *House* permitted deferred payment for municipal and industrial water capacity to meet anticipated needs.

Senate did not have similar provision.

Conference agreed to House language.

(d) *House* clarifies language of section 5 of Watershed Act without substantial change.

Senate did not have similar provision.

Conference agreed to House language.

(e) *House* made all amendments, past or future, to section 4 of the Watershed Act (conditions of assistance) applicable to additional

works of improvement prosecuted in connection with the 11 watershed programs authorized by the Flood Control Act of 1944.

Senate did not have similar provision.

Conference agreed to House language.

TITLE II—PUBLIC LAW 480

5. *House* did not limit title IV private trade agreements to commodities to be consumed in underdeveloped countries.

Senate so limited.

Conference agreed to House language.

The conferees reaffirmed that sales under title IV are to be carried out in conformity with the provisions of section 404 of the act and the intent of that section as it was set forth in the report of the committee at the time of its adoption, so as to maximize dollar sales and not replace sales which would otherwise be made for cash.

6. *House* did not contain provision for security for performance of private trade agreements.

Senate contained such provision.

Conference agreed to strengthen Senate language.

Reasonable security under this section from foreign buyers would include a guarantee of qualified foreign banking institutions, as determined by the Secretary of Agriculture. The authority under the amendments to this section of the act is vested exclusively in the Secretary of Agriculture, the same as it is under sections 403, 404, and 405 of the act.

7. *House* left authority in Secretary to permit participation by other supplying countries.

Senate transferred this authority to President.

Conference agreed to House language, modified.

This section does not apply to agreements with private trade but only to government-to-government type of sales and supply agreements. With respect to the latter, this section makes it clear that the Secretary could only permit participation by "friendly and historic supplying nations" instead of "exporting nations" which might be neither friendly nor have any historic record of supply.

Section 201(5). Except for a matter of punctuation, the House and Senate provisions are identical. This section amends section 406 of the act and makes certain provisions of title I applicable to title IV. Section 406, as amended, gives emphasis to market development and to the use of private trade channels and makes provision for CCC reimbursement for title IV activities in the same manner as for title I activities.

8. *House* provided for expanded donations to school lunch programs abroad, to include such donations to programs having student financing on basis of ability to pay.

Senate did not contain similar provisions.

Conference agreed to House language with substitute for section 205 making donations under section 416 of the Agriculture Act of 1949 subject to priorities under that section.

TITLE III—COMMODITY PROGRAMS

9. *1963 feed grain program.*

The *conference* agreed to the *House* bill with respect to the 1963 feed grain program with the following changes:

(1) The Secretary would be given discretion with respect to the use of the malting barley exemption;

(2) It is made clear that a malting barley producer would not be exempt from the obligation to reduce his corn and sorghum acreage in order to qualify for corn and sorghum price support;

(3) A single payment rate of up to 50 percent of the value of normal production would be substituted for the payment rates of 45 and 50 percent provided by the House bill;

(4) Price supports on 1963 feed grains to cooperators will be substantially the same as in 1962—based on a national average of $1.20 per bushel for corn. However, the support program will be carried out partially by payments in kind and partially by the usual loans and purchase agreements. Price support payments in kind at 18 cents per bushel on corn, and at comparable rates on grain sorghums and barley, would be made on the normal production of the 1963 acreage. The balance of the support price would be made available in the usual manner on actual production. All payment in kind certificates would be redeemed in feed grains valued at the loan rate. Payment in kind certificates would be handled in the same manner as under the 1961 and 1962 feed grain programs, except that the minimum resale price of feed grains represented by such certificates could not be less than the loan rate. Cooperating farmers receiving such certificates have three choices: (A) to exchange them for actual grain from CCC stocks; (B) to sell the certificates; (C) to request CCC to market the certificates for them, in which event the CCC would advance the producer the face value of the certificates.

(5) Limits crops which may be grown on diverted acres to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

(7) Participating producers would lose price support if they fail to divert acreage in accordance with their agreement.

10. *Feed grain, price support and CCC resale restrictions for 1964 and subsequent crops.*

(a) *House* provided that for 1964 and subsequent crops the support level for corn would be 80 percent of the 3-year average price (instead of 90 percent of such average price or 65 percent of parity, whichever is higher, as provided by existing law). CCC minimum resale price for unrestricted use would be 105 percent of current support, plus reasonable carrying charges as under existing law.

Senate provided support for corn at such level not above 90 percent of parity as would not increase CCC stocks. Support for other feed grains would be 0 to 90 percent, after considering feed value in relation to corn and other factors. Secretary would submit proposal for feed grain legislation to next Congress. Minimum CCC resale price would be 65 percent of parity, plus reasonable carrying charges.

Conference agreed to—

(1) Price support for corn at such level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks;

(2) Strike the provision of the Senate amendment with respect to Commodity Credit Corporation resale price so that the minimum resale price will continue at 105 percent of the current support level plus carrying charges;

(3) Strike that part of the Senate amendment which would repeal section 105(b) of the 1949 act, so that price support for the other feed grains would continue to be determined pursuant to section 105(b).

Subtitle B—Wheat

WHEAT PROGRAM FOR 1963

11. *Conference* agreed to provisions generally along the lines of the House bill with respect to a 1963 wheat diversion program with the following changes:

(1) The mandatory 10-percent reduction would be eliminated and the provisions with respect to the 15-acre farms would be simplified to provide for diversion below an average 3-year acreage. As in 1962, the 15-acre exemption would be modified to the highest acreage planted in 1959, 1960, or 1961.

(2) Producers would be given the opportunity to divert not less than 20 percent and not more than 50 percent of their allotments with payments at 50 percent of their normal production on the diverted acreage based on the support price of $1.82. In addition, producers who do make this voluntary reduction would be entitled to price support at $2 per bushel. Such price support shall be carried out partially in the form of a payment in kind of 18 cents per bushel on the normal production of their 1963 wheat acreage, and the balance in the usual manner through loans and purchase agreements at the national average of $1.82 on their actual production.

All payment-in-kind certificates would be redeemed in wheat valued at not less than the support price to cooperators not participating in the diversion program. Cooperating producers would have three choices: (1) to exchange the certificate for wheat from CCC stocks, (2) to sell the certificate, or (3) to request CCC to market the certificates for them. In the latter case, CCC would assist producers in marketing their certificates, and the Department has indicated CCC would advance producers the full face value of the certificate. The support level for cooperators not participating in the diversion program would be frozen at $1.82.

(3) Producers who agreed to divert a specified acreage would lose price support for 1963 if they failed to carry out their agreements.

(4) Increases in the marketing penalty and voting eligibility changes would be omitted, since the referendum has already been held.

(5) Crops which could be planted on diverted acres would be limited to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

WHEAT PROGRAM FOR 1964 AND SUBSEQUENT CROPS

12. *Senate* revised the wheat marketing quota program to provide for more effective controls and for an acreage diversion program with payments for the first 3 years of diversion. Provides for a marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as would carry out the price and income objectives of the bill. If marketing quotas were disapproved by producers, the support level would be 50 percent of parity.

Conference agreed to the Senate provisions with respect to wheat with the following changes:

(1) They will be made effective beginning with the 1964 crop (the diversion payment program being authorized for 1964 and 1965).

(2) Substitution of wheat and feed grain acreage would be permitted if a feed grain acreage reduction program is in effect, to such extent and under such conditions as the Secretary determines would not adversely affect the overall operations of the wheat and feed grain programs.

(3) The small farm base acreage would be computed on a 3-year adjusted average acreage excluding 1963 instead of the highest 3 years out of 5.

(4) The crops to which diverted acreage may be devoted under the diversion payment program would be the same as in the 1963 wheat program.

(5) Wheat acreage diverted under the 1962, 1963, 1964, and 1965 diversion programs would be counted as history for allotment purposes.

(6) The Secretary would be given authority to provide equitable treatment for producers acting in reliance on erroneous advice from the Department under past, present, and future wheat and feed grain diversion programs.

The bill, as agreed to by the conferees, contemplates that the Department, in operating the wheat marketing certificate program, will give full recognition to the potential impact of this program on the orderly marketing of wheat. In particular, the conferees are concerned with the problems of transition from the present program to the wheat certificate program. It is recognized that new crop wheat will be harvested and moved into the marketing channels prior to the beginning of the marketing year. It is also recognized that stocks of wheat will be held in an inventory position, particularly by millers, as of the beginning of the marketing year. The conferees expect that the Commodity Credit Corporation will take such steps as are necessary to assure that the benefits of the certificate program are extended to producers of wheat who harvest wheat prior to the beginning of the marketing year. The conferees also expect that recognition will be given to stocks of wheat in inventory on the effective date of the program. The mechanics for handling this phase of the program are the responsibility of the Department of Agriculture. The bill contains adequate authority to handle this problem. The Secretary of Agriculture should, however, proceed

with extreme caution in this matter. The principal concern of the conferees is that neither windfall profits nor losses should be incurred by holders of wheat on the effective date of the new program, because of inadequate mechanics for handling this problem.

The conferees also believe that the certificates should trade at face value or a preannounced value and that opportunities for speculation in certificates should be eliminated. This can best be accomplished by announcing in advance that CCC will be a free buyer and seller of certificates. This announcement should not preclude the handling of certificates in trade channels but it would eliminate the opportunity to hold certificates for financial gain. It would further eliminate the possibility of the disruption of orderly marketing because of an artificial shortage of certificates.

The conferees, by referring to specific problems, are not inferring that these are the only problems involved in the transition to the wheat certificate program or the only possibilities of interference with the orderly marketing processes. They are cited as a caution to the Secretary of Agriculture to use care in developing and administering this program. Conferences with committees of Congress, farm organizations, and the grain trade are essential to the proper development of the mechanics for handling the wheat certificate program.

The conferees also believe that it is important that the necessary mechanics of operation be worked out and announced well in advance of the effective date of the program. Only in this manner can all producers and grain handlers have an opportunity to adjust their operations to the certificate program.

Subtitle C—Dairy

13. *House* provided for a voluntary 9-month program (October 1, 1962–June 30, 1963) under which producers would be paid up to $2.50 per hundredweight for reducing their marketings below calendar 1961 levels. House also required price support or surplus removal loans on, or purchases of, products to be conditioned on certification that the support price was paid to producers of the milk or butterfat.

Senate contained no dairy provisions.

Conference struck House provision.

TITLE IV—GENERAL

14. *House* limited FHA real estate loans for recreational uses to citizens with farm background or experience who are or will become owner-operators of not larger than family-size farms.

Senate did not so limit.

Conference agreed to House provision with a technical change.

15. *Conference* substitute omits the following provisions of the Senate amendment (which were not contained in House bill):

(*a*) Authority for sewer loans;

(*b*) Provision for REA direct loan account;

(*c*) Provision concerning use of farmer cooperatives.

16. *Conference* substitute contains the following provisions of the Senate amendment (which were not contained in House bill):

(*a*) Authority for loans to fish farmers;

(*b*) Congressional policy favoring use of customary trade channels;

The directive to the Secretary and Commodity Credit Corporation in section 402 to adopt certain policies and procedures is by its terms to be carried out "to the maximum extent practicable." In determining whether and the extent to which the adoption of such policies and procedures is practicable, it is intended that the Secretary and Commodity Credit Corporation have wide latitude for the exercise of discretion. In exercising such discretion, it is of course contemplated that there will be taken into consideration, among other factors, whether the policy or procedure would be consistent with the fulfillment of the Corporation's purposes and with the efficient and effective conduct of its operations. Section 402 is not intended in any way to override other statutory provisions which apply to the Secretary and Commodity Credit Corporation in carrying out their activities and responsibilities.

(*c*) Cherry marketing order provisions for advertising;

(*d*) Authority to make CCC feed available, prior to December 31, 1963, to milk producers to assure supply free of radioactive fallout contamination.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Conference substitute does not contain Senate provision (not in House bill) establishing an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

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E. C. GATHINGS,
J. FLOYD BREEDING,
Managers on the Part of the House.

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occupancy of such mining claim, whether residential or otherwise, for any period preceding the final administrative determination of the invalidity of the mining claim by the Secretary of the Interior or the voluntary relinquishment of the mining claim, whichever occurs earlier. Nothing in this Act shall be construed as creating any liability for trespass to the United States which would not exist in the absence of this Act.

SEC. 7. (a) In any conveyance under this Act there shall be reserved to the United States (1) all minerals and (2) the right of the United States, its lessees, permittees, and licensees to enter upon the land and to prospect for, drill for, mine, treat, store, transport, and remove leasable minerals and mineral materials and to use so much of the surface and subsurface of such lands as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing such minerals and mineral materials on or from other lands.

(b) The leasable minerals and mineral materials so reserved shall be subject to disposal by the United States in accordance with the provisions of the applicable laws in force at the time of such disposal.

(c) Subject to valid existing rights, upon issuance of a patent or other instrument of conveyance under this Act, the locatable minerals reserved by this section shall be withdrawn from all forms of appropriation under the mining laws.

(d) Nothing in this section shall be construed to preclude a grantee, holding any lands conveyed under this Act from granting to any person or firm the right to prospect or explore for any class of minerals for which mining locations may be made under the United States mining laws on such terms and conditions as may be agreed upon by said grantee and the prospector, but no mining location shall be made thereon so long as the withdrawal directed by this Act is in effect.

(e) A fee owner of the surface of any lands conveyed under this Act may at any time make application to purchase, and the Secretary of the Interior shall sell to such owner, the interests of the United States in any and all locatable minerals within the boundaries of the lands owned by such owner, which lands were patented or otherwise conveyed under this Act with a reservation of such minerals to the United States. All sales of such interests shall be made expressly subject to valid existing rights. Before any such sale is consummated, the surface owner shall pay to the Secretary of the Interior the sum of the fair market value of the interests sold, and the cost of appraisal thereof, but in no event less than the sum of $50 per sale and the cost of appraisal of the locatable mineral interests. The Secretary of the Interior shall issue thereupon such instruments of conveyance as he deems appropriate.

SEC. 8. Rights and privileges under this Act shall not be assignable, but may pass through devise or descent.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 6 minutes.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Speaker, it is my feeling that this bill has run the gamut of a few misunderstandings so that Congress may have to change its usual procedure somewhat in the consideration of the legislation. If the bill is approved by the House, there will be a motion to take from the Speaker's table S. 3451, a similar bill, and to strike everything after the enacting clause of that bill and insert the contents of this bill. With that in mind, I think I can advise my colleagues that we shall endeavor to have a committee of conference appointed and the differences between the two Houses will then be ironed out. It is a fact that the contents of the Senate bill are not quite as favorable to the occupants of mining claims as the provisions of the House bill.

Mr. Speaker, the bill H.R. 12761 is designed to arm the Secretary of the Interior with discretionary authority in order to prevent hardship being suffered by people, who, in good faith, have established their residences on lands on which they have staked mining claims but now find themselves unable to obtain title to the property because they cannot comply with technical requirements of the mining laws. As an alternative to general legislation of the type that we are recommending today, the Committee on Interior and Insular Affairs and this House would be required to examine each case individually and enact individual relief bills.

The Subcommittee on Public Lands under the chairmanship of the gentlewoman from Idaho [Mrs. PFOST] held extensive hearings on the legislation. I will leave it to the chairman of the subcommittee and others to furnish the details of the specific need for enactment of this bill. But, I would like to set forth a few items for consideration of the House.

Ever since the general mining law was enacted in 1872 it has been the common practice in the West for independent miners to settle on the land being developed for its mineral value. Today we would classify these people as being engaged in small business. As such they did not always follow up their occupancies in the manner necessary to obtain a patent granting them fee title to the land.

Under the mining laws it is entirely possibly for someone to stake a claim and extract minerals without ever applying for transfer of title. It is also the position of the Department of the Interior that when the mineral content has been removed from the ground, the occupant can no longer prove discovery of a valuable mineral. For the benefit of those who read the RECORD, I am including, under permission previously granted, as part of my remarks at this point a quotation from a decision by the Department of the Interior in the case of United States against Eric North, A-27936, which was decided July 1, 1959:

The important thing is that a discovery of a valuable mineral deposit must be shown as existent at the time of the application for patent. A discovery at some time in the past which has been exhausted by mining or which, although unexhausted, no longer warrants a reasonable man in the expenditure of time and money with the reasonable prospect of success in developing a valuable mine will not support an application for patent. A claim must be mineral in character and valuable for its mineral content at the time that the application for patent is made.

The bill before the House today would authorize the Secretary of the Interior, in his discretion, to make conveyances to seasonal or year-round residential occupants. The bill contains provisions to protect the interests of the United States. This legislation was initiated by the gentleman from California [Mr. JOHNSON] as a measure designed to give relief to people in California who were threatened with eviction from their homes because of their occupancy of mining claims that could not be perfected. I think it is significant that, when the Subcommittee on Public Lands looked into the situation, one of its first decisions was that relief was needed in all the public lands States and not in California alone. The legislation on which we are acting today is therefore a general bill that will apply to all areas with equal force.

It has been stated, and undoubtedly will be stated on the floor today, that this bill will also give relief to people who settled on mining claims primarily for the purpose of obtaining a homesite on lands that could not be obtained for such use under any provision of law. This is undoubtedly true; and there are probably some of such people who will receive a benefit from this legislation. But, following the basic principle of our common law that a person is innocent until proven guilty, I cannot believe that the typical American occupant is engaged in an unauthorized use for the purpose of defrauding the people of the United States. Nor do I believe that, because there will be a few who have willfully engaged in unauthorized use, we should deny relief to the large numbers who have occupied the lands under invitation from the United States to develop our mineral resources.

I urge the House to suspend the rules and adopt this legislation which will benefit families and individuals.

In order for one properly to understand the legislation, one must go back to the provisions of the mining law of 1872 and understand what it was at that time that was being required of people who wished to bring to the economy of the Nation, and for its sinews of war, the minerals which were to be found in the public lands of the Nation. Authority was given for the prospector to roam through the public lands for the purpose of discovering, if he could, deposits of minerals and to proceed by filing on the property either for a lode or for a placer claim. He has been entitled to possession of said claim so long as he did certain assessment work that was required under the provisions of the mining law.

Invariably the prospectors and the miners in the out-of-way places—and most of their locations were in out-of-

way places—built themselves a home of one kind or another, and in many instances these homes are still in existence and they have been handed down by the original locators to their heirs and members of their families.

One of the differences between the Senate and the House bills is that the House bill would permit those in possession at the time of the passage of the act to take advantage of the benefits provided by the legislation. The Senate bill states that applicants would have to be in possession some 7 years prior to the passage of the legislation, tying the cutoff date to the time of the passage of the 1955 law.

Mr. SAYLOR. Mr. Speaker, I yield myself 11 minutes.

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Speaker, the gentleman from California [Mr. JOHNSON] the author of this bill, has brought to the attention of the House Interior and Insular Affairs Committee, and subsequently here on the floor of the House, a situation which is critical, a situation which needs attention.

The only question that is involved is how this problem shall be solved. In most instances those people who will be affected by this legislation went onto the sections of public land either in the public domain or in the national forests illegally. They remained there ever since that time illegally. What this bill attempts to do is to give to these people a fee title for as much as 5 acres of that land, or so much as they occupy not to exceed 5 acres.

CALL OF THE HOUSE

Mr. DINGELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. SISK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 221]

Abbitt	Davis, Tenn.	Harvey, Mich.
Addabbo	Dawson	Hays
Andersen, Minn.	Delaney	Healey
Anfuso	Diggs	Hébert
Ashley	Dominick	Hoffman, Ill.
Ayres	Donohue	Hoffman, Mich.
Bailey	Dooley	Hull
Baring	Dorn	Jarman
Barrett	Doyle	Jennings
Bass, N.H.	Dwyer	Judd
Bass, Tenn.	Edmondson	Kearns
Bates	Elliott	Kee
Blitch	Ellsworth	Keith
Boland	Fallon	Kelly
Bonner	Farbstein	Kilburn
Bow	Findley	Kluczynski
Boykin	Fino	Lane
Bruce	Frazier	Lankford
Buckley	Frelinghuysen	Latta
Burke, Ky.	Friedel	Lesinski
Burke, Mass.	Fulton	Lindsay
Carey	Garland	McCulloch
Celler	Garmatz	McDonough
Chiperfield	Gavin	McDowell
Colmer	Gilbert	McMillan
Cook	Glenn	McSween
Corbett	Goodell	McVey
Cunningham	Goodling	Macdonald
Curtis, Mass.	Green, Oreg.	Madden
Davis, James C.	Green, Pa.	Martin, Mass.
	Harrison, Va.	Mason
May	Pilcher	Slack
Meader	Pirnie	Smith, Miss.
Merrow	Powell	Smith, Va.
Moeller	Pucinski	Stephen
Moore	Rains	Stratton
Moorehead, Ohio	Riley	Teague, Tex.
	Rivers, Alaska	Thompson, La.
Morris	Rivers, S.C.	Thompson, N.J.
Morrison	Roberts, Tex.	Tuck
Morse	Rogers, Tex.	Udall, Morris K.
Moulder	Rostenkowski	Ullman
Multer	Rousselot	Van Zandt
Nedzi	St. Germain	Vinson
Nix	Santangelo	Weaver
Norrell	Saund	Weis
O'Brien, Ill.	Scranton	Whalley
O'Hara, Mich.	Seely-Brown	Whitten
O'Neill	Selden	Wickersham
Peterson	Shelley	Winstead
Pfost	Shipley	Yates
Philbin	Sibal	Zelenko
Pike	Sikes	

The SPEAKER pro tempore. On this rollcall, 277 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO FILE CONFERENCE REPORT—COMMITTEE ON AGRICULTURE—FOOD AND AGRICULTURE ACT OF 1962

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. SAYLOR] is recognized.

Mr. SAYLOR. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. COOLEY] for a unanimous-consent request.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on the bill, H.R. 12391.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2385)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12391), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Food and Agriculture Act of 1962'.

"TITLE I—LAND-USE ADJUSTMENT

"SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

"(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

"(2) by repealing subsection (a) of section 8;

"(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language 'Subject to the limitations provided in subsection (a) of this section, the' and inserting in lieu thereof the word 'The'; and

"(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"'(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretaray, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretaray: *Provided*, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

"'(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

"'(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"'(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"'(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"'(6) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"'(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his func-

tions and responsibilities under this subsection including payment of costs of administration for the program authorized under this subsection: *Provided,* That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding $15,000,000.'

"(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"'(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided,* That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs.'

"SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out 'including the retirement of lands which are submarginal or not primarily suitable for cultivation,' and by inserting following 'natural resources,' the phrase 'protecting fish and wildlife,' and by striking out the period at the end thereof and inserting ', but not to build industrial parks or establish private industrial or commercial enterprises.'

"(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

"(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"'(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years.'

"SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

"(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: '*Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds.'

"(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: '(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and'.

"SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"'(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8.'

"SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"'SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"'(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the

plan and the justification therefor to the Congress through the President.

"'(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"'(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army.'

"SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: *'Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto'.

"TITLE II—AGRICULTURAL TRADE DEVELOPMENT

"SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

"(1) Section 401 is amended by adding at the end thereof the following new sentence: 'It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.'

"(2) Section 402 is amended—

"(a) by inserting ', including financial institutions acting in behalf of such nations,' after the words 'friendly nations'; and

"(b) by adding at the end thereof the following: 'In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement.'

"(3) Section 403 is amended—

"(a) by deleting the words 'approximately equal' from the last sentence thereof and substituting therefor the word 'reasonable'; and

"(b) by inserting after the word 'agreement' in the last sentence thereof the following: ', except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery,'.

"(4) Section 405 is amended to read as follows:

"'SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

"(5) Section 406 is amended by inserting after the word 'sections' the following: '101 (b) and (c),'.

"SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words 'needy persons' the words 'and in nonprofit school lunch programs'.

"SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words 'needy persons' the words 'and in nonprofit school lunch programs'.

"SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words 'needy persons' the words 'and in nonprofit school lunch programs'.

"SEC. 205. In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section.

"TITLE III—COMMODITY PROGRAMS

"Subtitle A—Feed grains

"SEC. 301. Section 105(c) of the Agricultural Act of 1949, as amended, is amended by adding the following new paragraphs (5) and (6):

"'(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Eighteen cents per bushel of the support price for corn, and a comparable portion of the support price for grain sorghums and barley shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest in 1963 by the adjusted average yield per acre for the 1959 and 1960 crop acreage of such feed grain. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for corn, grain sorghums, and barley (such feed grains to be valued by the Secretary at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley, price support shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

"'(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided,* That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.'

"SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"'(g) Notwithstanding any other provision of law—

"'(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such

acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"'(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"'(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.'

"SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (valued at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

"SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

"SEC. 305. The Agricultural Act of 1949, as amended, is amended, by striking out subsection (a) of section 105 and inserting in lieu thereof the following:

"'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn.'

"Subtitle B—Wheat

"Program for 1963

"SEC. 306. Price support for the 1963 crop of wheat shall be made available as provided in section 101 of the Agricultural Act of 1949, as amended, except that (1) price support shall be made available only to cooperators, and only in the commerical wheat-producing area, (2) if the operator of the farm elects to participate in the program formulated under section 307—

"(A) price support shall be made available to the producers on such farm only if such producers divert from the production of wheat in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide, and

"(B) the level of price support for wheat of the 1963 crop to such participating producers shall be at a national average of two dollars per bushel and the amount by which such level of two dollars per bushel exceeds the national average level available to cooperators who are not participating producers shall be made available as hereinafter provided, and

(3) the national average level of price support for wheat of the 1963 crop to cooperators who are not participating producers shall be one dollar and eighty-two cents per bushel. The amount by which the level of two dollars per bushel exceeds the level of price support available to cooperators who are not participating producers shall be made available through payments in kind, on the number of bushels of wheat determined by multiplying the actual acreage of wheat planted on the farm for harvest in 1963 by the normal yield of wheat for the farm. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for wheat (such wheat to be valued by the Secretary at not less than the current support price for wheat to cooperators who are not participants in the program formulated under section 307) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. For purposes of section 407 of the Agricultural Act of 1949, the 'current support price' for wheat during the marketing year for the 1963 crop shall be the support price for such crop to cooperators who are not participants in the program formulated under section 307.

"SEC. 307. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be eligible for payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

"(1) Such producers shall divert from the production of wheat an acreage on the farm equal to 20 per centum of the higher of (i) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered, but not to exceed 15 acres, or (ii) the farm acreage allotment for the 1963 crop of wheat. Such producers may divert additional acreage on the farm not in excess of the larger of one and one-half times the amount diverted under the preceding sentence or such acreage as will bring the total acreage diverted to 10 acres: *Provided,* That the total acreage diverted shall not exceed the larger of (i) or (ii) of the preceding sentence.

"(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: *Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b)(4) of this section.

"(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the

extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

"(4) The actual acreage planted to wheat for harvest on the farm in 1963 shall be reduced by the total amount of acres diverted under this section below whichever of the following acreages is the larger—

"(A) the farm acreage allotment for the 1963 crop of wheat;

"(B) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961 with adjustments as provided above, but not to exceed 15 acres.

"(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be eligible for payments which shall be made by Commodity Credit Corporation in cash or wheat not in excess of 50 per centum of the value, at the estimated basic county support rate (available to cooperators who are not participants in the program formulated pursuant to this section) per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to special crops pursuant to the proviso in subsection (a)(2) of this section, payment for which shall be computed in accordance with subsection (b)(4) of this section.

"(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

"(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at not less than the current support price for wheat to cooperators who are not participants in the program formulated pursuant to this section. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

"(4) Payment with respect to diverted acreage devoted to special crops pursuant to the proviso of subsection (a)(2) of this section shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(c) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

"(d) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

"(e) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

"(f) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted hereunder, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

"(h) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay administrative expenses necessary in carrying out this section after June 30, 1963.

"SEC. 308. (a) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period to a comma at the end of the next to the last sentence and adding the following: 'or section 307 of the Food and Agriculture Act of 1962.'

"(b) The special wheat program formulated under section 307 of this Act shall not be applicable to any farm receiving an additional allotment under section 334(i) of the Agricultural Adjustment Act of 1938, as amended.

"SEC. 309. Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), as amended, is amended by changing the period at the end thereof to a colon, and adding the following: '*Provided, further,* that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 15 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.'

"Program for 1964 and Subsequent Crops

"Subtitle B—Wheat

"SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"'Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"'The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"'The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.'

"SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"'National Marketing Quota

"'SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"'(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of wheat which the Secretary estiwheat for any marketing year shall be an amount of which which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United

States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"'(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.'

"SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"'National Acreage Allotment

"'SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.'

"SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

"(1) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 and 1963 crops'.

"(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

"(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: 'The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection.'

"(4) By adding at the end thereof the following new subsection:

"'(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.'

"SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"'COMMERCIAL AREA

"'SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation.'

"SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"'SMALL FARM EXEMPTION

"'SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments.'

"SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"'Referendum

"'SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.'

"SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

"SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"'Land Use

"'SEC. 339. (a)(1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a state-

ment of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"'(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"'(b) The Secretary is authorized to formulate and carry out a program with respect to the 1964 and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided,* That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further,* That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"'(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"'(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"'(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"'(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"'(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"'(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.'

"SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

"(1) By amending paragraph (1) to read as follows:

"'(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.'

"(2) by amending paragraph (2) to read as follows:

"'(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.'

"(3) By inserting in paragraph (3) 'twice' before 'the normal production' in the first and second sentences thereof, and by inserting in the second sentence thereof 'twice the' between 'of' and 'normal' in the phrase 'upon the basis of normal production', by striking out 'corn and' from the first sentence thereof, and by striking out 'corn or' from the last sentence thereof.

"(4) By amending paragraph (4) to read as follows:

"'(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.'

"(5) By striking out 'corn or' from paragraph (5).

"(6) By striking out 'corn or' from paragraph (6).

"(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

"(8) By striking out 'corn or' and ', as the case may be,' from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: 'If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.'

"(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"'(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.'

"SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

"(1) by striking out paragraph (A);

"(2) by inserting in paragraphs (D) and (E) after the words 'in the case of rice' the words 'and wheat,' by inserting in said paragraphs after the words 'per acre of rice' the following: 'or wheat, as the case may be,', and by inserting in said paragraph after 'determined' the following: 'in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat';

"(3) by striking from paragraph (G) the following: (A) 'wheat,' in each of the two places it first occurs therein; (B) 'and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields'; (C) 'ten calendar years in the case of wheat, and'; and (D) 'in the case of corn, cotton, or peanuts,'.

"SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

"(1) Subsection (a) is amended by deleting 'corn, wheat,' in the first sentence thereof.

"(2) The first sentence of subsection (b) is amended by striking out 'any national acreage allotment for corn or', 'wheat,' and 'in order to effect the declared policy of this Act or'.

"SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after 'parity payment,' the following: 'payment under section 339,'.

"SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1964 or any subsequent year and the marketing years beginning in the calendar year 1964, or any subsequent year.

"Wheat Marketing Allocation Program

"SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"'*Subtitle D—Wheat marketing allocation*

"'Legislative Findings

"'SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necesasry, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"'Wheat Marketing Allocation

"'SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"'Marketing Certificates

"'SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"'(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

"'(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount of which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"'(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"'Marketing Restrictions

"'SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates legally held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"'(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid

to cover sales or exportations made on or after the date so determined by the Secretary.

"'(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"'(d) As used in this subtitle, the term "food products" means any product composed wholly or partly of wheat to be used for human consumption, including beverage.

"'Assistance in Purchase and Sale of Marketing Certificates

"'SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"'Conversion Factors

"'SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"'Authority To Facilitate Transition

"'SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"'Reports and Records

"'SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and food products, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"'Penalties

"'SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"'(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"'(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"'(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than 10 years, or both.

"'Regulations

"'SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.'

"SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

"(1) By inserting after section 106 the following new section:

"'SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

"'(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"'(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"'(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"'(4) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101, and

"'(5) if marketing quotas are in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of what, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.'

"(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: '*Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate.'

"SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), and (g) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

"SEC. 327. In the establishment of State, county, and farm acreage allotments for wheat under the Agricultural Adjustment Act of 1938, as amended, the acreage which is determined under regulations of the Secretary to have been diverted from the production of wheat under the special programs formulated pursuant to section 307 of this Act, section 339 of the Agricultural Adjustment Act of 1938, as amended, and section 124 of the Agricultural Act of 1961, shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of wheat.

"SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the pro-

duction of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

"(1) By inserting in section 303 after 'use and conservation' a comma and the following 'including recreational uses and facilities';

"(2) By inserting in section 306(a) after 'soil conservation practices,' the following: 'shifts in land use including the development of recreational facilities,';

"(3) By striking out in section 309(f)(1) the figure '$10,000,000' and inserting in lieu thereof the figure '$25,000,000';

"(4) By inserting in section 312 after the words 'and conservation' the words 'including recreational uses and facilities'; and

"(5) By adding at the end thereof a new section as follows:

"'SEC. 343. As used in this title (1) the term "farmers" shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term "farming" shall be deemed to include fish farming.'

"SEC. 402. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

"SEC. 403. The Agriculture Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ': *Provided*, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising.'

"SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: 'Notwithstanding the foregoing, whenever prior to December 31, 1963 the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest.'

"SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby."

And the Senate agrees to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
J. FLOYD BREEDING,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted language which generally followed the subject matter of the House bill but was different in numerous substantial respects. The following summary indicates the major differences between the House and Senate versions of the bill and the action taken by the conferees:

TITLE I—LAND USE ADJUSTMENT

1. Long-term diversion contracts:

(a) House limited contracts to 10 years. Senate limited contracts to 15 years. Conference agreed to 10 years. Also agreed to House language with respect to change in cropping systems and land use.

(b) House did not provide for diversion to recreation and nonagricultural purposes. Senate provided for such diversion. Conference agreed to Senate language without nonagricultural purposes.

(c) House limited tree cover payments to 5 years. Senate did not include such limit. Conference agreed to House provision.

(d) House prohibited agreements on land acquired within 2 years, subject to certain exceptions. Senate did not contain such prohibition. Conference agreed to House language.

(e) House did not contain acreage history preservation provision. Senate authorized Secretary to provide for preservation or surrender of history. Conference agreed to Senate language.

(f) House did not limit payments. Senate limited payments to $10 million per year. Conference agreed to $25 million with $10 million earmarked for new contracts, plus amendment permitting use of CCC funds in fiscal 1963.

The Department of Agriculture is requested by the committee of conference to make a study and report early next year on problems connected with expiring conservation reserve contracts.

2. House did not contain provision for use of CCC in making ACP and long-term contract payments. Senate contained such provision. Conference agreed to Senate language.

3. Bankhead-Jones Act amendments:

(a) House excluded building of industrial parks or private industrial commercial enterprises from the purposes of the Bankhead-Jones Act and struck out a specific reference to the retirement of submarginal lands. Senate struck protection of health, safety, and welfare from purposes, inserted a specific reference to the more economic use of lands, and to providing public recreation. Conference agreed to House provision.

(b) House did not repeal authority to acquire submarginal lands (including by condemnation). Senate repealed such authority. Conference agreed to Senate language.

(c) House provided for any type of assistance to any type of agency, public or private, in developing and carrying out land utilization plans. Senate provided for cooperation with Government agencies in developing plans, limited assistance in carrying out plans to loans to State or local public agencies, subject to a number of conditions. Conference agreed to Senate language.

4. Watershed Act:

(a) House did not contain provision for recreation. Senate permitted Secretary to (i) pay up to one-half of costs of lands and related facilities for public recreation areas, including fish and wildlife; (ii) pay an equitable share of installation costs for recreational phases; (iii) advance funds for immediate land acquisition to prevent encroachment. Senate also changed installation cost-sharing formula from a direct identifiable benefit basis to one which considers national needs and assistance authorized for similar purposes under other Federal programs. Conference agreed to Senate provision with a House amendment limiting recreation areas to not more than one for each 75,000 acres of watershed.

(b) House increased maximum flood prevention capacity to 12,500 acre-feet. Senate did not have a similar provision. Conference agreed to strike House language.

(c) House permitted deferred payment for municipal and industrial water capacity to meet anticipated needs. Senate did not have similar provision. Conference agreed to House language.

(d) House clarifies language of section 5 of Watershed Act without substantial change. Senate did not have similar provision. Conference agreed to House language.

(e) House made all amendments, past or future, to section 4 of the Watershed Act (conditions of assistance) applicable to additional works of improvement prosecuted in connection with the 11 watershed programs authorized by the Flood Control Act of 1944. Senate did not have similar provision. Conference agreed to House language.

TITLE II—PUBLIC LAW 480

5. House did not limit title IV private trade agreements to commodities to be consumed in underdeveloped countries. Senate so limited. Conference agreed to House language.

The conferees reaffirmed that sales under title IV are to be carried out in conformity with the provisions of section 404 of the act and the intent of that section as it was set forth in the report of the committee at the time of its adoption, so as to maximize dollar sales and not replace sales which would otherwise be made for cash.

6. House did not contain provision for security for performance of private trade agreements. Senate contained such provisions. Conference agreed to strengthened Senate language.

Reasonable security under this section from foreign buyers would include a guarantee of qualified foreign banking institutions, as determined by the Secretary of Agriculture. The authority under the

amendments to this section of the Act is vested exclusively in the Secretary of Agriculture, the same as it is under section 403, 404, and 405 of the Act.

7. House left authority in Secretary to permit participation by other supplying countries. Senate transferred this authority to President. Conference agreed to House language, modified.

This section does not apply to agreements with private trade but only to government to government type of sales and supply agreements. With respect to the latter, this section makes it clear that the Secretary could only permit participation by "friendly and historic supplying nations" instead of "exporting nations" which might be neither friendly nor have any historic record of supply.

Section 201(5): Except for a matter of punctuation, the House and Senate provisions are identical. This section amends section 406 of the Act and makes certain provisions of title I applicable to title IV. Section 406, as amended, gives emphasis to market development and to the use of private trade channels and makes provision for CCC reimbursement for title IV activities in the same manner as for title I activities.

8. House provided for expanded donations to school lunch programs abroad, to include such donations to programs having student financing on basis of ability to pay. Senate did not contain similar provisions. Conference agreed to House language with substitute for section 205 making donations under section 416 of the Agriculture Act of 1949 subject to priorities under that section.

TITLE III—COMMODITY PROGRAMS

9. 1963 feed grain program: The conference agreed to the House bill with respect to the 1963 feed grain program with the following changes:

(1) The Secretary would be given discretion with respect to the use of the malting barley exemption;

(2) It is made clear that a malting barley producer would not be exempt from the obligation to reduce his corn and sorghum acreage in order to qualify for corn and sorghum price support;

(3) A single payment rate of up to 50 percent of the value of normal production would be substituted for the payment rates of 45 and 50 percent provided by the House bill;

(4) Price supports on 1963 feed grains to cooperators will be substantially the same as in 1962—based on a national average of $1.20 per bushel for corn. However, the support program will be carried out partially by payments in kind and partially by the usual loans and purchase agreements.

Price-support payments in kind at 18 cents per bushel on corn, and at comparable rates on grain sorghums and barley, would be made on the normal production of the 1963 acreage. The balance of the support price would be made available in the usual manner on actual production. All payment-in-kind certificates would be redeemed in feed grains valued at the loan rate.

Payment in kind certificates would be handled in the same manner as under the 1961 and 1962 feed grain programs, except that the minimum resale price of feed grains represented by such certificates could not be less than the loan rate. Cooperating farmers receiving such certificates have three choices: (A) to exchange them for actual grain from CCC stocks; (B) to sell the certificates; (C) to request CCC to market the certificates for them, in which event the CCC would advance the producer the face value of the certificates.

(5) Limits crops which may be grown on diverted acres to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

(7) Participating producers would lose price suport if they fail to divert acreage in accordance with their agreement.

10. Feed grain price support and CCC resale restrictions for 1964 and subsequent crops:

(a) House provided that for 1964 and subsequent crops the support level for corn would be 80 percent of the 3-year average price (instead of 90 percent of such average price or 65 percent of parity, whichever is higher, as provided by existing law). CCC minimum resale price for unrestricted use would be 105 percent of current support, plus reasonable carrying charges, as under existing law. Senate provided support for corn at such level not above 90 percent of parity as would not increase CCC stocks. Support for other feed grains would be 0 to 90 percent, after considering feed value in relation to corn and other factors. Secretary would submit proposal for feed grain legislation to next Congress. Minimum CCC resale price would be 65 percent of parity, plus reasonable carrying charges. Conference agreed to—

(1) Price support for corn at such level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks;

(2) Strike the provision of the Senate amendment with respect to Commodity Credit Corporation resale price so that the minimum resale price will continue at 105 percent of the current support level plus carrying charges;

(3) Strike that part of the Senate amendment which would repeal section 105(b) of the 1919 act, so that price support for the other feed grains would continue to be determined pursuant to section 105(b).

SUBTITLE B—WHEAT

Wheat program for 1963

11. Conference agreed to provisions generally along the lines of the House bill with respect to a 1963 wheat diversion program with the following changes:

(1) The mandatory 10-percent reduction would be eliminated and the provisions with respect to the 15-acre farms would be simplified to provide for diversion below an average 3-year acreage. As in 1962, the 15-acre exemption would be modified to the highest acreage planted in 1959, 1960, or 1961.

(2) Producers would be given the opportunity to divert not less than 20 percent and not more than 50 percent of their allotments with payments at 50 percent of their normal production on the diverted acreage based on the support price of $1.82. In addition, producers who do make this voluntary reduction would be entitled to price support at $2 per bushel. Such price support shall be carried out partially in the form of a payment in kind of 18 cents per bushel on the normal production of their 1963 wheat acreage and the balance in the usual manner through loans and purchase agreements at the national average of $1.82 per bushel on their actual production.

All payment-in-kind certificates would be redeemed in wheat valued at not less than the support price to cooperators not participating in the diversion program. Cooperating producers would have three choices: (1) To exchange the certificate for wheat from CCC stocks, (2) to sell the certificate, or (3) to request CCC to market the certificates for them. In the latter case, CCC would assist producers in marketing their certificates, producers in marketing their certificates, and the Department has indicated CCC would advance producers the full face value of the certificate. The support level for cooperators not participating in the diversion program would be frozen at $1.82.

(3) Producers who agree to divert a specified acreage would lose price support for 1963 if they failed to carry out their agreements.

(4) Increases in the marketing penalty and voting eligibility changes would be omitted, since the referendum has already been held.

(5) Crops which would be planted on diverted acres would be limited to those named in the bill.

(6) Producers would be required to take appropriate erosion control measures.

Wheat program for 1964 and subsequent crops

12. Senate revised the wheat marketing quota program to provide for more effective controls and for an acreage diversion program with payments for the first 3 years of diversion. Provides for a marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as would carry out the price and income objectives of the bill. If marketing quotas were disapproved by producers, the support level would be 50 percent of parity. Conference agreed to the Senate provisions with respect to wheat with the following changes:

(1) They will be made effective beginning with the 1964 crop (the diversion payment program being authorized for 1964 and 1965).

(2) Substitution of wheat and feed grain acreage would be permitted if a feed grain acreage reduction program is in effect, to such extent and under such conditions as the Secretary determines would not adversely affect the overall operations of the wheat and feed grain programs.

(3) The small farm base acreage would be computed on a 3-year adjusted average acreage excluding 1963 instead of the highest 3 years out of 5.

(4) The crops to which diverted acreage may be devoted under the diversion payment program would be the same as in the 1963 wheat program.

(5) Wheat acreage diverted under the 1962, 1963, 1964, and 1965 diversion programs would be counted as history for allotment purposes.

(6) The Secretary would be given authority to provide equitable treatment for producers acting in reliance on erroneous advice from the Department under past, present, and future wheat and feed grain diversion programs.

The bill, as agreed to by the conferees, contemplates that the Department, in operating the wheat marketing certificate program, will give full recognition to the potential impact of this program on the orderly marketing of wheat. In particular, the conferees are concerned with the problems of transition from the present program to the wheat certificate program. It is recognized that new crop wheat will be harvested and moved into the marketing channels prior to the beginning of the marketing year. It is also recognized that stocks of wheat will be held in an inventory position, particularly by millers, as of the beginning of the marketing year. The conferees expect that the Commodity Credit Corporation will take such steps as are necessary to assure that the benefits of the certificate program are extended to producers of wheat who harvest wheat prior to the beginning of the marketing year.

The conferees also expect that recognition will be given to stocks of wheat in inventory on the effective date of the program. The mechanics for handling this phase of the program are the responsibility of the Department of Agriculture. The bill contains ade-

quate authority to handle this problem. The Secretary of Agriculture should, however, proceed with extreme caution in this matter. The principal concern of the conferees is that neither windfall profits nor losses should be incurred by holders of wheat on the effective date of the new program, because of inadequate mechanics for handling this problem.

The conferees also believe that the certificates should trade at face value or a preannounced value and that opportunities for speculation in certificates should be eliminated. This can best be accomplished by announcing in advance that CCC will be a free buyer and seller of certificates. This announcement should not preclude the handling of certificates in trade channels but it would eliminate the opportunity to hold certificates for financial gain. It would further eliminate the possibility of the disruption of orderly marketing because of an artificial shortage of certificates.

The conferees, by referring to specific problems, are not inferring that these are the only problems involved in the transition to the wheat certificate program or the only possibilities of interference with the orderly marketing processes. They are cited as a caution to the Secretary of Agriculture to use care in developing and administering this program. Conferences with committees of Congress, farm organizations, and the grain trade are essential to the proper development of the mechanics for handling the wheat certificate program.

The conferees also believe that it is important that the necessary mechanics of operation be worked out and announced well in advance of the effective date of the program. Only in this manner can all producers and grain handlers have an opportunity to adjust their operations to the certificate program.

Subtitle C—Dairy

13. House provided for a voluntary 9-month program (October 1, 1962–June 30, 1963) under which producers would be paid up to $2.50 per hundredweight for reducing their marketing below calendar 1961 levels. House also required price support or surplus removal loans on, or purchases of, products to be conditioned on certification that the support price was paid to the producers of the milk or butterfat. Senate contained no dairy provisions. Conference struck House provision.

Title IV—General

14. House limited FHA real estate loans for recreational uses to citizens with farm background or experience who are or will become owner-operators of not larger than family-size farms. Senate did not so limit. Conference agreed to House provision with a technical change.

15. Conference substitute omits the following provisions of the Senate amendment (which were not contained in House bill):

(a) Authority for sewer loans.

(b) Provision for REA direct loan account.

(c) Provision concerning use of farmer cooperatives.

16. Conference substitute contains the following provisions of the Senate amendment (which were not contained in House bill):

(a) Authority for loans to fish farmers.

(b) Congressional policy favoring use of customary trade channels.

The directive to the Secretary and Commodity Credit Corporation in section 402 to adopt certain policies and procedures is by its terms to be carried out "to the maximum extent practicable." In determining whether and the extent to which the adoption of such policies and procedures is practicable, it is intended that the Secretary and Commodity Credit Corporation have wide latitude for the exercise of discretion. In exercising such discretion, it is of course contemplated that there will be taken into consideration, among other factors, whether the policy or procedure would be consistent with the fulfillment of the Corporation's purposes and with the efficient and effective conduct of its operations. Section 402 is not intended in any way to override other statutory provisions which apply to the Secretary and Commodity Credit Corporation in carrying out their activities and responsibilities.

(c) Cherry marketing order provisions for advertising.

(d) Authority to make CCC feed available, prior to December 31, 1963, to milk producers to assure supply free of radioactive fallout contamination.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Conference substitute does not contain Senate provision (not in House bill) establishing an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
J. FLOYD BREEDING,
Managers on the Part of the House.

CORRECTION OF ROLLCALL

Mr. SAYLOR. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Speaker, on rollcall No. 214 I am recorded as having been absent. I was present and answered to my name, and ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PROVIDING RELIEF FOR RESIDENTIAL OCCUPANTS OF UNPATENTED MINING CLAIMS

Mr. SAYLOR. Mr. Speaker, this situation which is attempted to be corrected under this bill became so bad that the Comptroller General made a survey or a review of the administration by the Forest Service of the Department of Agriculture of mining claims on National Forest lands reserved from the public domain. It is astounding what this report, which was filed with the House on May 29 of this year, disclosed. It discloses among other things that they found unpatented mining claims being used for permanent residences, for summer homes, for townsites, orchards and commercial enterprises, farming—a house of ill repute, a nudist colony, restaurants, a rock museum and a real estate office. Hunting and fishing lodges are being maintained on unpatented mining claims.

Mr. Speaker, there are a host of other uses that are absolutely inconsistent with our national forest policy.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. KYL. Is it not true in addition to these misuses of this Government land that because of certain mining claims, the Government has been forced into the impossible position of having to buy rights-of-way through these holdings to get to the Government forests so that they can be properly managed and harvested?

Mr. SAYLOR. The gentleman is correct. One of the things that was discovered was that several of these illegal mining claims happen to be the only means of access to several hundred million board feet of timber and the owners of these claims, of these illegal claims which the Government is now trying to cancel, have demanded an outlandish payment from the Government, or the prospective timber purchaser for a right-of-way across this fictitious mining claim and the matter is now in court.

Mr. KYL. Is it not also true, to compound this situation, there is actually no record of these mining claims that exist. Even with reference to the new mining claims, there is no suitable procedure for recording the transactions.

Mr. SAYLOR. The gentleman is correct. One of the things that disturbs me about this bill and even as to the cases where the Forest Service is acting, there is absolutely nothing to stop a person from coming in and filing a new mining claim on the same land from which the Government has already dispossessed the trespasser.

In an attempt to solve this problem, the gentleman from California introduced a bill which I think is far too broad. He attempts to give them a fee of up to 5 acres or the acreage actually occupied. One of the real difficulties with this bill is that he gives them that right as long as they were on the ground on the 12th day of January 1962, the date on which the first bill was filed.

The Senate, I am happy to inform the Members of the House, took a much more limited view of this proposition. While they did in some rare circumstances grant a fee, most of the people who would qualify under the Senate version would have to be on the land for a minimum of 7 years. I can find no justifiable reason for going back a mere 7 years. There are a number of good reasons for going back to a date such as the end of World War II, when a great many of the people in the West were looking for weekend homes, and under the guise of mining claims went in and picked some of the choicest spots in our national forests for their residences.

There is also a date, 1920, that might be suitable. This date is the one when this movement had its beginning. If the date 1920 were adopted, the particular case the gentleman from California [Mr. JOHNSON] relied upon for support before the committee—namely, a mining community which grew up on illegal mining claims—would be taken care of.

I feel that any people who went into a mining community and filed a claim even if they discovered no minerals, have some justification, and we should look with favor upon these cases. But, generally, the people who are included in the report of the Comptroller General do not fall in that category.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. GROSS. Referring to the minority views accompanying this report, which is critical of things which have occurred, I do not find in the letter written by the Comptroller General that the bill meets the objections of the Comptroller General's office.

Mr. SAYLOR. I may say to the gentleman that the Comptroller General was very critical of practices that have been adopted and are still being conducted by the Department of Agriculture in these mining claims; and I am satisfied that neither the House bill nor the Senate bill goes as far as the report and the recommendations of the Comptroller General.

I believe that if this bill does to go conference that between the Senate version and the House version something can be worked out so that where there is a real hardship, equity can be done. I believe that many of these people have paid good money in good faith for property in what was originally mining communities. But where it is a summer camp or a residence in direct violation of the law I do not believe that we can in good conscience give them relief.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. ASPINALL. I am doubtful of permissive legislation that leaves it entirely within the discretion of the Secretary. Would it not make difficult the handling of situations to which the gentleman just made reference if introduced in this bill?

Mr. SAYLOR. I would hope that it would not. If the Secretary himself had the decision to make, I believe I could depend upon his decision; unfortunately, there are some career people downtown that do not believe as the chairman of the committee and myself believe, and it is for this reason therefore we must make this bill even more restrictive than it is.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield further?

Mr. SAYLOR. I yield.

Mr. ASPINALL. Is that not one instance where the House bill is perhaps stronger than the Senate bill?

Mr. SAYLOR. The gentleman is correct.

Mr. ASPINALL. We can take this particular matter to conference and iron it out, can we not?

Mr. SAYLOR. Correct. That is one reason why I am going along on the motion to suspend the rules and pass the bill, because of the statement the chairman of the full committee has made. I sincerely believe that this conference can and will work out a good piece of legislation.

Mr. ASPINALL. Mr. Speaker, I yield 8 minutes to the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Speaker, I rise in support of my bill, H.R. 12761, to provide relief of residential occupants of unpatented mining claims upon which valuable improvements have been placed. This legislation is designed to give the Secretary of the Interior the authority to convey at fair market value up to 5 acres of land which is occupied by persons who have filed mining claims on this property but have not perfected or patented these claims.

I would like first to emphasize two basic points: One, this proposed legislation would in no way amend the public mining laws; two, this legislation cannot be classified as a "giveaway" because in any event, the occupant must pay fair market value for the property and second, the authority is extended to the Secretary of the Interior to convey this land only if it is not needed for further governmental purposes.

Mr. Speaker, this is permissive legislation. It gives the Secretary of the Interior a much-needed tool to resolve a major problem which has developed not only in California but throughout the Western States.

Under the mining laws of 1872, citizens of the United States and those who have declared their intention to become such are guaranteed the right to enter upon the public lands of the United States, except those withdrawn from entry, to explore for and purchase valuable mineral deposits and to occupy lands in which such mineral deposits are found. There is no requirement however, that an occupant or locator, as he is known, must proceed to the purchase of the lands in which the valuable mineral deposits are found.

Numerous people have entered upon the public lands, staked claims in accordance with the mining laws, and proceeded to extract minerals without ever filing an application for patent to the land. Others have established locations and perfected mining claims but have been unable, because of other provisions of law, to proceed to patent even though they might have desired to do so. Once a mining claim is established, it was not—and is not—unusual for a claimant to take up residence on the land within the boundaries of the claim.

There is no doubt that many residential occupants on unpatented mining claims located such claims in good faith, in accordance with law, and had every expectation of acquiring fee title to the land in accordance with the mining laws.

Mining claims constitute property, giving the holder the right of possession. In the public land States unpatented mining claims are bought and sold on the open market. Some of the unpatented mining claims have been occupied for a great number of years by the same family. It may be impossible for the occupant to fulfill the objectives of the law at this time and obtain a patent to the land. The reason for this is that the law of discovery, which controls the determination of whether a patent will be issued, is related to both time and place; that is, there must be a valuable deposit, within the claim, on which a prudent man would be justified in expending additional funds to develop at the time of application for patent. If there had been a valid discovery at one time but all the minerals had been extracted, the Department of the Interior has held that the holder of the claim could not now proceed to patent because the claim is no longer mineral in character, or valuable for its mineral content, and a reasonable man would no longer be warranted in the expenditure of time and money to develop the claim.

These people who had acquired these mining claims as the original locator or through purchase of the claim or through bequest as the land was passed down through generation to generation through a single family have recorded their deeds with the county recorder and for the most part, believed that they had a valid title to the property. These properties have been taxed with the counties collecting taxes both on the improvements and on the possessory interest of the mining claim.

As is indicated in the committee report on this bill, both the Bureau of Land Management and the U.S. Forest Service have initiated programs designed to eliminate unauthorized use of unpatented mining claims and in many of these instances and especially those involving the Bureau of Land Management, these lands are being processed for sale or lease under public land laws.

Naturally, the first step was to clear the title to the property. To do this most of the claims were invalidated and the present occupants were faced with eviction. It was then that the people, many of whom had lived on the land for decades, found they had no legal title to the land.

Since much of the land involved was to be offered for public sale anyway it seemed only fair that these people should be offered a preference right to purchase it at fair-market value. This is what my legislation would do.

This legislation as reported out by the Committee on Interior and Insular Affairs, is an enabling bill which would give the Secretary of the Interior the authority to give a preference right to these occupants to purchase up to five acres of this land on which they have been living. The balance of the land in the claim would be sold to other private individuals under the provisions of the Small Tract Act or similar legislation. This legislation thus would protect the occupant from having to bid in an open auction against all comers for the land on which he lived.

As reported out by the Committee on Interior and Insular Affairs the bill provides the following things:

First. Any decision to convey any property under the provisions of this bill is discretionary with the Secretary of the Interior or the Secretary of Agriculture in the case of Forest Service land.

Second. To be eligible to perfect title to property under the provisions of this bill, the applicants must relinquish to the United States all rights in such claim which he may have had under the mining laws of this Nation.

Third. Applications must be made within a 3-year period.

city of Baltimore, and its able and energetic chairman, Hon. Reuben H. Levenson, in conjunction with the Honorable Samuel N. Friedel, Representative from the Seventh District of Maryland, has devised a plan whereby existing facilities would be improved and modernized. Present store locations would be made both more accessible and more attractive to shoppers. This would eliminate the necessity for relocation. It has been the pleasure of the small business committee to work with this group in seeking to find ways to aid and assist the small businessmen of the city of Baltimore in this self-help endeavor. Congressman Friedel, Mayor Grady, Chairman Levenson, and the members of his committee are all to be commended for their vision and their farsighted approach to this problem.

Nor is this type of solution appropriate only for our larger urban areas. It can prove helpful, as well, to the smaller towns and cities whose small businessmen are encountering similar problems. In the September 11, 1962, edition of the Christian Science Monitor, Roscoe Fleming has set forth a plan conceived by the Small Business Administration's Denver regional office for assisting in the rehabilitation of small city main streets. I include the article at this point in the RECORD:

PLAN FOR MAIN STREETS

(By Roscoe Fleming)

DENVER.—How could Federal resources be better employed than in helping merchants of small cities replace their faltering "Main Streets" with lively, attractive, modern shoping malls?

There is no better use, in the view of Harold Smethills, director of the Government's regional Small Business Administration office. And he has outlined plans for such developments, for which he has received a tentative nod to go ahead from national headquarters in Washington.

Under his plan, owners of four or more square blocks in the heart of a small city would form a new corporation which would acquire all the property, by condemnation if necessary.

METHOD SPREADS

Existing structures would be torn down to be replaced by modern malls, each member store flanked by broad parking spaces. In effect, the plan would plant a modern locally owned shopping center in the heart of town, rather than on the outskirts.

The latter is the prevailing mode, he said. It started in and around the larger cities and now is spreading to smaller ones.

Suburban shopping centers have two characteristics:

They drain trade from the center of the city and leave the city's traditional merchants stranded.

They are occupied in many cases by units of national or regional chains. Thus the profits they make often go out of town.

ADVANTAGES CITED

So, says Mr. Smethills, his plan would have two advantages:

It would keep locally made profits at home to build up the community.

It would replace dinginess with bright, convenient, modern facilities in the center of town.

He says he has been working to institute a pilot project, and has found that complete cooperation is needed, and, in fact, that new Federal legislation probably will be required, particularly in the field of eminent domain and condemnation.

The laws affecting such matters vary from State to State. The local corporation, when formed—with each merchant holding a share commensurate with the value of property he will contribute—must have the power to handle all the real estate required and, therefore, must be able to take it over for a fair price.

WIDE SUPPORT NEEDED

"And I've already found that just enlisting the local merchants themselves won't do," said Mr. Smethills. "You have to get everyone behind such a project to rehabilitate the heart of the town—the city administration, the chamber of commerce, civic groups, the press. This is perhaps the biggest job of all."

He said he had hopes to institute a pilot project in one small city and that he has had the cooperation of all save the absentee owner of five pieces of property in the central area.

Mr. Smethills believes that if one such mall is built, its advantages will be so obvious that national legislation and specific funds may find the favor of Congress.

"We talk about preserving small business," he said, "and building up the interior economy of the Nation. Here is a most effective way to do both.

LOANS PROPOSED

"Here, in effect, would be a way to stimulate the economy in case of a recession, without a big public-works program. It would pay for itself—we propose that these government loans to the mall corporations would be at 5.5 percent interest. * * *

"The huge suburban shopping centers gives leases to those with the highest credit ratings. This means, in 90 percent or more of cases, the big national or regional chains, which through huge volume can do business on smaller margins.

"If a local merchant can afford space at all, he gets the less desirable locations. And if he can't, he stays in his downtown store and watches an increasing proportion of business go to the suburban center."

(Mr. PATMAN (at the request of Mr. SISK) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. PATMAN'S remarks will appear hereafter in the Appendix.]

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[Mr. PATMAN'S remarks will appear hereafter in the Appendix.]

CONSTITUTION DAY

(Mr. KITCHIN (at the request of Mr. SISK) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KITCHIN. Mr. Speaker, today is Constitution Day and it marks the 175th anniversary of the signing of the Constitution of the United States. We of North Carolina—and especially in the Eighth Congressional District, which I am honored to represent—are singularly mindful of historic anniversaries.

This year, for instance, the Congress by joint resolution enacted into law recognition of North Carolina's 300 years identity in American history by creating the North Carolina Tercentenary Celebration Commission.

On national Constitution Day the thoughts of many Americans turn to the America's earth-shaking Declaration of Independence of 1776 as perhaps the greatest and most lasting assertion of human freedom in the history of the human race.

And in thinking upon the inspiring history of our Constitution, Declaration of Independence and Bill of Rights, we North Carolinians remember with great pride, one of the significant forerunners of these monumental documents, the Mecklenburg Declaration of May 20, 1775.

On this 175th anniversary of our Constitution of the United States, I take the occasion to recall to my respected colleagues that at midnight, May 20, 187 years ago, a militant group adopted rebellious resolutions declaring Mecklenburg, N.C., to be free and independent of the British crown.

It is widely accepted by many historians—certainly the historians of North Carolina—that the Mecklenburg Declaration was the direct parent of the American Declaration and that many passages, word for word and phrase for phrase, from the Mecklenburg Declaration, appear in the document adopted the next year in Philadelphia.

On this national Constitution Day I take occasion to salute the Constitution; to thank the Congress for its recognition of my State through the North Carolina Tercentenary Celebration Commission, and to wish for all of the 185 million of us many happy returns of Constitution Day through the centuries ahead.

KNOWLES DAM FOR MONTANA

(Mr. OLSEN (at the request of Mr. SISK) was given permission to extend his remarks at this point in the RECORD.)

Mr. OLSEN. Mr. Speaker, a long time ago, I committed myself to the policy of Montana water for Montana people and the development of Montana resources first for the benefit of Montana people and, of course, then, secondarily, for the benefit of everyone in the Nation. It just seemed to me that the first benefit from the resources in Montana should go to the people of that area, and unless the development is beneficial to those people, it could not be beneficial to the country generally.

However, water is committed to running downhill. Therefore, if the water is to be developed for Montana people, it has to be developed before it gets out of the State. For many years now, excess runoff of water from Montana has been going to the seas undeveloped. The run of the river dams developed by private power companies have permitted a great waste of water by failure to corral the floodwaters. This is only natural inasmuch as the private power companies are organized for the profit of their stockholders and are not eleemosynary institutions organized to control the floodwaters, develop recreation, or irriga-

tion and reclamation, or any of the other benefits of a great river such as the Clarks Fork of the Columbia River or this Flathead River.

Thus, it has been my philosophy, together with that of most people in my district, that we should commit ourselves to the development of the whole river—complete development—in cooperation with the whole basin of the river. Thus, I am completely committed to the development of the Knowles project—an at-site production of 267,000 kilowatts of prime power, together with 686,000 kilowatts of downstream power. This is contrasted with the relatively small development of an at-site production of only 148,000 kilowatts at Buffalo Rapids Nos. 2 and 4.

I am not an engineer. But I think that my philosophy is the correct one to develop the whole river—especially if the cost-benefit ratio is satisfactory and compatible with the law. The Corps of Engineers has studied this project for 11 years. I am convinced that the members of the Corps are dedicated public servants who have no private motive or personal regard to influence them. I am compelled to believe their statements of facts and conclusions as against the critics who have a profit motive or a personal ax to grind. The Chief of Engineers and Board of Rivers and Harbors recommended Knowles in their major water plans. The Secretaries of the Army and Interior approved the Corps recommendation. The Bureau of the Budget has approved Knowles as part of the major water plan. The White House announcement included it in the recommendation sent to the Congress on April 11, 1962.

I am very happy that we have the recommendation of the Corps of Engineers to the effect that the benefits of the Knowles are such that the project pays for itself in 50 years on a cost-benefit ratio of 1.3 to 1. The law is conservative and thus is the Corps of Engineers conservative because this project, if constructed, would be fully beneficial for certainly more than 100 years.

It should be most enlightening to your committee that last year, in the month of July, I mailed 90,000 questionnaires to the householders and rural boxholders in my district. One of the questions was as follows:

> The U.S. Corps of Engineers has recommended a dam at Paradise Knowles at Clarks Fork River in Montana for cheap electric power, flood control, irrigation, and recreation. Do you vote "yes" or "no"?

The answers received from almost 15 percent of the people queried were "yes," 54 percent; "no," 39 percent; "undecided," 7 percent.

In other polls taken among the people affected, the results have been ascertained as follows: The results of the Plainsman, published at Plains by Don Coe; the Sentinel, published at Hot Springs by Dick Shirley; and the Sanders County Ledger, published at Thompson Falls by K. A. Eggensperger, showed 2 to 1 support for Paradise Dam.

In May of 1962, Radio Station KOFI, an independently owned and operated enterprise, ran a public opinion poll on the Knowles Dam question. KOFI is a 5,000-watt station and has the greatest coverage of any station operating in the Flathead Valley near the Knowles damsite.

The question asked was simply, "What is your opinion of Knowles Dam?" This poll was run on a Sunday.

In reading the results on the air, the announcer stated that he was disappointed that more people did not put down their reasons for supporting or opposing Knowles Dam. One hundred and two people wrote in to the station. Ninety-five for the dam, seven against. None of the letters read over the air in support of the dam contained requests to withhold the author's name, and three out of four of those whose letters opposed the dam asked that their names not be read on the air.

Together with the Senate leadership of the Montana congressional delegation, I plan to participate in obtaining a reservation of power for Montana similar to that obtained in the Hungry Horse power situation. There, a reservation of power has been made for all of Montana. However, the at-site power of Hungry Horse is a little more than 90,000 kilowatts—yet Montana has present committed use from Bonneville of more than 220,000 kilowatts. Thus, it is obvious that the reservation, while desirable, is not absolutely necessary because the national policies of our distribution have well compensated Montana for the storage services.

Montana's best self-interest is to serve the basin in its best capacity and likewise be paid in power availabilty for its service.

Electric power at most reasonable rates is attractive of industry and is thus a jobmaking proposition. This is best demonstrated in the case of the Tennessee Valley Authority and the Bonneville Power Administration. However, it is also well demonstrated near at hand with the aluminum plant that was attracted to Montana by the power rates of Hungry Horse Dam.

Other power developments in Montana by the Federal Government, such as Canyon Ferry and Fort Peck, have made rural electrification possible. The yardsticks afforded by these two projects made it a favorable proposition that 5-mill power could be demanded by the REA projects throughout Montana.

In a nutshell, Knowles would be beneficial to Montana:

First. Full development at-site power 267,000 kilowatts.

Second. Full development storage for downstream power 686,000 kilowatts.

Third. Lower unit cost for total of 953,000 kilowatts.

Fourth. Cheap power inviting jobmaking industry to Montana. Bonneville postage stamp—rate of 2.4 mills instead of private power rate of 6 mills per kilowatt.

Fifth. Montana obtains its rightful share of National Government investment in natural resource development.

Sixth. Increase in broadened tax base of local government with new industry, new families, and new homes.

Seventh. Greatly enhance fish and wildlife resources.

Eighth. Boost Montana recreation and tourist industry.

In our competition with the rest of the world, we must increase our National Government investment in natural resource development. In any event, Montana is entitled to a fair share of the national investment. Knowles qualifies under the law by cost-benefit ratio.

In behalf of Montana and my district, I strongly recommend that your committee act favorably on the Knowles project.

CONFEREES AGREE ON FARM BILL

(Mr. COOLEY (at the request of Mr. SISK) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. COOLEY. Mr. Speaker, I am delighted to announce that the conferees this afternoon finally agreed upon a conference report on H.R. 12391, the Food and Agriculture Act of 1962.

The report will be filed tonight and will be available tomorrow. I have been assured by the leadership that the conference report may be called up later this week for final vote. I am certain that the conference report will not be presented before Wednesday, and may not be presented until Thursday.

In the report the differences in the two versions of the legislation and how these differences were resolved in conference will be discussed. For the information of Members of both Houses of Congress I have prepared a summary of the major provisions of the bill as approved by the conference, and I shall now read this summary into the RECORD.

TITLE I—LAND-USE ADJUSTMENT

SECTION 101

This section amends the Soil Conservation and Domestic Allotment Act to provide for continued Federal administration of the agricultural conservation program and provides authority for the Secretary of Agriculture to carry out long-range conservation plans with individual farmers and ranchers in all agricultural areas through agreements for periods not to exceed 10 years to provide for changes in cropping systems and land use, and for development of soil, water, forest, wildlife and recreation resources by means of cost sharing and other assistance.

Agreements may not be entered into covering land with respect to which the ownership has changed in the 2-year period preceding the first year of the contract period except with successors by inheritance or purchasers during the contract period. Agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of 5 years.

The Secretary cannot enter into agreements providing for assistance in amounts in excess of $10 million for any calendar year, except that for calendar year 1963 he may provide assistance with respect to lands previously covered by conservation reserve contracts in an

amount not exceeding an additional $15 million.

SECTION 102

The amendments to title III of the Bankhead-Jones Farm Tenant Act include changes in section 31 to provide for the protection of fish and wildlife, but prohibits the building of industrial parks or establishing private industrial or commercial enterprises. They provide that the Secretary of Agriculture may cooperate with Federal, State, and local public agencies in developing and carrying out plans for land conservation and land utilization. This will include the furnishing of technical assistance and loans.

These amendments authorize the Secretary of Agriculture to assist State and local public agencies designated by the Governor or the State legislature, through loans, to carry out land utilization plans. This would enable the Secretary of Agriculture to make loans to appropriate State and local public agencies for the purpose of facilitating the shift of land resources out of unsuitable uses or out of the unneeded production of surplus crops into new and better uses. It would also provide an opportunity for rural renewal development by authorizing the Secretary of Agriculture to help develop plans for improvements and to assist in carrying out such plans by means of loans to State and local public agencies. These plans could be developed for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and poorly developed community facilities. Their objective would be to create conditions that would make these communities attractive to private investment and individual enterprise.

Repayment of loans would be required in not more than 30 years, with interest at the average rate paid by the Treasury on obligations of similar maturity.

The Governor or appropriate State agency would have 45 days to disapprove plans of State or local agencies. A single loan over $250,000 would have to be approver by appropriate congressional committees. Repayment of loans may be deferred for not to exceed 5 years.

Sections 103 through 106 would make several important changes in the Watershed Protection and Flood Prevention Act.

Section 103 would make three changes in the existing authority contined in this act.

First. It adds recreational development as a purpose for cost sharing. This means, for example, that funds appropriated to carry out the purposes of the act could be used to cost share with local organizations in enlarging a reservoir to make it more suitable for recreation. It authorizes the Secretary to bear not to exceed one-half of the cost of land, easements, and right-of-way for reservoir or other areas to be available for public recreation and of providing minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. This amendment would not authorize the Federal Government to acquire title to any land. It would be entirely optional with local organizations as to whether they would include public recreational developments in watershed projects which they sponsor. The Secretary would be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards to be established by him. Moreover, the number of public recreational developments on which the Secretary would be authorized to cost share is limited to one such development in the smaller projects and no more than three in the largest projects.

Second. It authorizes the Secretary to advance funds to local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid with interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

Third. It would establish new criteria for Federal cost sharing for all purposes other than flood prevention and municipal or industrial water supply based on the principle of consideration of national needs and assistance authorized for similar purposes under other Federal programs. This would permit the Secretary to establish definite cost-sharing requirements which are uniformly applicable in all watershed projects and which might be modified from time to time to conform with changes authorized for Federal assistance in other programs or to meet changing national needs.

Section 104 would provide authority to the Secretary comparable to that previously given to the Secretary of the Army and the Secretary of the Interior in the Water Supply Act of 1958, as amended, to assist local organizations in developing municipal and industrial water supply for future use.

Section 105 would delete certain obsolete language and would clarify the authority of the Secretary to provide engineering services for municipal and industrial water supply on a reimbursable basis.

Section 106 would specifically provide that amendments included in sections 103 and 104 and all subsequent amendments to section 4 of the Watershed Protection and Flood Prevention Act are made equally applicable to the 11 watersheds authorized under the Flood Control Act of 1944.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

The provisions of title II relate to long-term supply contracts through dollar credit export sales under title IV of Public Law 480 and also to the nonprofit school lunch programs carried out overseas through the charitable organizations and intergovernmental agencies like UNICEF.

In the title IV, Public Law 480, long-term dollar credit sales, one of the most significant amendments is to authorize agreements with the private trade in addition to those which had previously been authorized with the governments of friendly nations.

The purpose is to stimulate the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of these commodities, so that these agricultural commodities will assist in the development of the economies of friendly nations, and to maximize our U.S. dollar trade.

The Secretary of Agriculture is authorized to enter into sales agreements with foreign and U.S. private trade firms and institutions. The agreements with the private trade also must provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for commodities sold under the agreement.

The use of financial institutions acting in behalf of friendly nations would be authorized in addition to the previous authority to enter into agreements directly with the government agencies of friendly countries.

The payment provisions are also modified to permit scheduling payments in reasonable, rather than approximately equal, annual amounts, and the date for beginning annual payments may be deferred for not more than 2 years after the last delivery in each calendar year.

A change was also adopted in the provision relating to participation by other friendly and historic supplying nations in the supply and assistance program authorized under title IV. Existing legislation required the Secretary of Agriculture to endeavor to reach agreements with other exporting nations, whereas the amendment makes this authorization discretionary with the Secretary. Title IV is also amended so as to make applicable the policies of utilizing private trade channels and emphasizing market development, as in the case of foreign currency sales.

Sections 202 through 205 relate to the nonprofit school lunch programs which are also often referred to as "school feeding programs" or "child feeding programs." The basic authorities in section 416 of the Agricultural Act of 1949, as amended by the provisions in section 302 of Public Law 480 and supplemented by other related statutes, are amended in this bill in accordance with the House provisions.

In addition to the authority for donation of commodities from the stocks of CCC and the purchases made pursuant to specific statutory authorizations, donations are specifically authorized for use in nonprofit school lunch programs outside the United States as well as assistance of needy persons.

The House provision in section 205 has been clarified to cover specifically the three statutes being amended in section 202 through 204. This section as it passed the House and has been clarified by the conference committee provides that the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of these school feeding programs outside the United States on a basis of ability to pay. In addition to clarifying the availability of commodities for these programs, it is

provided that the programs shall be undertaken with the understanding that commodities will be available for them only in accordance with the provisions of these authorizing statutes, and the usual priorities as established in the provisions of section 416 of the Agricultural Act of 1949, as amended, with respect to commodities made available under section 416.

THE 1963 FEED GRAIN PROGRAM

For the 1963 crop of corn, grain sorghum, and barley, producers can participate voluntarily by reducing their 1959–60 base acreage of those three crops by a minimum of 20 percent and up to 50 percent. Up to 25 acres may be diverted on any farm notwithstanding the maximum diversion rate of 50 percent. Participating producers will be eligible for price support on corn at $1.20 per bushel, to be provided through a price support loan at a national average rate of $1.02, and payment in kind of 18 cents per bushel from CCC stocks. Participating producers will also receive diversion payments computed at 50 percent of the value—at the price support level—of normal production on the diverted acreage.

No price support will be available to nonparticipants. The Commodity Credit Corporation will assist producers in marketing their payment-in-kind certificates. Feed grains provided by the Commodity Credit Corporation for certificates shall be valued at not less than the support price minus the 18 cents payment in kind.

Unlike the 1962 program, barley will be included in the corn and sorghum program. Also, the provisions for production crops such as sesame and safflower on diverted acres are nearly identical with the 1962 provisions, and include authority for the Secretary to make partial diversion payments on such acreage.

This program will enable the Secretary to continue the improvement in farm income begun last year, to reduce the carryover of feed grains for the third successive year, and to continue to stabilize the livestock economy through a sound feed grain program.

THE 1963 WHEAT PROGRAM

Farmers have already approved marketing quotas for the 1963 crop of wheat, and are planting or preparing to plant an acerage based upon the 55 million acre national allotment. The conference report requires no change from that procedure by farmers. It does provide, however, a voluntary diversion program for 1963 crop wheat similar to the 1962 program and to the 1963 feed grain program. Producers would be eligible for price support at $1.82 per bushel, if they do not exceed their farm acreage allotment based upon the 55 million acre national allotment. Producers would also be able to voluntarily participate in an acreage diversion program for the 1963 crop of wheat, and if they divert at least 20 percent of their wheat allotment or in the case of small farms of less than 15 acres of their average plantings of wheat for 1959, 1960, and 1961, to conservation uses, would be eligible for diversion payment equal to 50 percent of the value of normal production on the diverted acreage, and for payment in kind at a rate of 18 cents per bushel on the normal production of the acreage devoted to wheat. Therefore, producers who participate in this special program would receive price support at $2 per bushel, through the combination of the loan and the payment-in-kind programs. The maximum diversion on any farm would be either 50 percent of the allotment or in case of small farms, up to 10 acres.

Provisions relating to the production of crops such as safflower and sesame would be essentially the same as for feed grains.

THE 1964 FEED GRAIN PROGRAM

Both the House of Representatives and the Senate approved a change in the price support authority for corn beginning with the 1964 crop. The House bill provided price support at 80 percent of the 3-year average market price. The Senate bill provided price support from 0 to 90 percent of parity at such level as would not add to CCC stocks of corn.

The conference report requires that beginning with the 1964 crop corn, price supports would be between 50 and 90 percent of parity at such a level as the Secretary determines would not add to CCC stocks of corn. Price supports for other feed grains would be related to corn.

THE 1964 WHEAT PROGRAM

Congress has studied the wheat problem for many years and has taken corrective action several times within the last few years only to see it fail for one reason or another. The wheat marketing certificate program would provide a permanent program of long-range benefit to wheat producers, to the public, and the grain industry. It would put an end to the uncertainty the wheat farmers have been faced with each year.

There are two principal features of the permanent wheat provisions of the conference report. The first would eliminate the 55 million acre national allotment and would authorize the Secretary to estimate the total requirements for wheat in the coming year and to announce an acreage allotment large enough to meet those requirements. This is what we have been doing for years in the tobacco program, the cotton program, and the rice program. It can be done just as successfully for wheat. Producers would qualify for diversion payments for 2 years on an acreage equal to the difference between their new allotment under the bill and their wheat allotment in 1961. This would support farm income and prevent those acreages from being turned to other crops.

The other principal factor of the wheat program is a change in the price support system. A marketing certificate program which would assure producers of price supports between 65 and 90 percent of parity for their share of wheat used for food and for a large portion of the exports would be substituted for the present price support system. The main advantages of the marketing certificate program are that it provides greater flexibility for farmers to produce wheat as a feed grain if they want to, and that it limits higher price support level for wheat to a stated number of bushels. The certificates provide a means of distinguishing between wheat for food and export to be supported between 65 and 90 percent of parity and wheat for feed.

This change in the price support system for wheat is not something new that the Congress is being asked to consider. A marketing certificate program called the domestic parity program was approved by Congress but vetoed by the President in 1956. Similar proposals were considered by the Congress as far back as the early 1930's. There is broad agreement that the certificate program for wheat is a real improvement over the present price support system both for farmers and the Government. No substantial objections to the certificate program have been raised before the Agriculture Committee of the House.

There are other important provisions in the permanent wheat program:

First. The 15-acre exemption under which any farmer could grow 15 acres of wheat would be terminated permanently. Producers who have built up an acreage history under this provision, however, would be credited with their 3-year average acreage.

Second. Producers with 15 acres or less could also decide whether they wanted to be subjected to the program or exempt from it, and if they decided to be subject to the program could divert as much as their entire acreage for payment.

Third. Certain crops not in surplus supply, such as safflower, sesame, and other minor crops, could be produced on diverted acreage at the discretion of the Secretary, and partial diversion payments could be made.

Fourth. If more than one-third of the producers voting in the referendum opposed the program, price support would be provided at 50 percent of parity to cooperators.

The Secretary has assured the Agriculture Committee that if this proposed program had been put in effect in 1963, he would have expected to issue marketing certificates in the amount of approximately 925 million bushels, and would have provided price support at approximately $2 per bushel on that amount of wheat. Determinations of the percentage of the crop to be supported in the range of 65 to 90 percent of parity in later years would be based primarily on farm income objectives.

The bill provides also that the Secretary may increase the allotment for any type of wheat which would otherwise be in short supply. This will make it possible to gear the supply of different kinds of wheat to the market demand for different kinds of wheat.

Authority it provided also for the Secretary to permit wheat to be produced on feed grain acreages to such extent and under such conditions as will not impair the operation of the wheat program. It is understood that this authority would not be used except in the case when an acreage diversion program for feed grains was in effect.

Adequate authority is provided in the bill for the Secretary to administer the wheat marketing certificate program in

a manner agreeable both to wheat producers and the wheat and flour industry. Authority is provided also for the Secretary to make an orderly transition from the 1963 wheat program to the 1964 program in a manner which will avoid both windfall profits and unexpected losses which might otherwise occur. It is important this program is being enacted a year in advance of its effective date, so that the Department of Agriculture has an opportunity to work out proper regulations, to consult with all parties concerned, and to announce the provisions for operation of the program well in advance.

TITLE IV—FARMERS HOME ADMINISTRATION

The bill makes the following changes in the lending authorities of the Farmers Home Administration:

First. Adds "recreational uses and facilities" to the purposes for which real estate loans may be made or insured to the owner-operators of not larger than family farms,

Second. Adds "shifts in land use including the development of recreational facilities" to the purposes for which loans may be made or insured to associations serving farmers and other rural residents,

Third. Adds "recreational uses and facilities" to the purposes for which operating loans may be made to the operator of not larger than family farms,

Fourth. Adds a definition of farmers to include persons engaged in fish farming among farmers eligible for loans, and

Fifth. Increases from 10 to 25 million the aggregate of the real estate loans which the Secretary may make out of the insurance fund to be sold and insured, which are on hand and not disposed of at any one time.

THE AMERICAN PATENT SYSTEM PROVIDES A STIMULUS FOR INDIVIDUAL INVENTORS TO SECURE COMMERCIAL DEVELOPMENT OF NEW IDEAS THROUGH MODERN INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. ROUDEBUSH], is recognized for 30 minutes.

Mr. ROUDEBUSH. Mr Speaker, as a member of the Science and Astronautics Committee, I have a great interest in all Government endeavors which contribute to America's continued preeminence in science and technology. They are a vital concern to our committee. While the Federal Government has undertaken many programs to promote research and development activities, probably its most significant contribution over the years stems from the incentives provided by the patent system. We are fortunate that our Founding Fathers made specific provision in the Constitution itself that—

> The Congress shall have the Power to Promote the Progress of Science and Useful Arts by Securing for a Limited Time to Authors and Inventors the Exclusive Rights to their Respective Writings and Discoveries.

The many measures which have been proposed to alter the patent system impel me to review carefully every aspect of its contribution to America's progress in the fields of science and technology. As a Member of this body, I have a responsibility to share my findings with my colleagues. On June 25 of this year I reviewed the stimulus the American patent system provides for team research efforts in modern industrial organizations. Complex new developments require the combined efforts of many people, as well as costly equipment, which necessarily accounts for the increasing number of patents granted to the employees of American industrial firms supporting research efforts.

Mr. Speaker, however, it is important that we recognize the role of the individual inventor who while working alone continues to make outstanding contributions to the wealth and security of our society. In my remarks on March 5 of this year, I reviewed some aspects of the stimulus the patent system provides gifted individuals. Of necessity the commercial development of inventions which may have pervasive effects on our people requires the support of modern corporate enterprises. My purpose today is to show that the patent system not only provides a stimulus for invention, but it enables an inventor to seek financial, commercial, and industrial resources to make his dream a reality for the benefit of everyone.

A study entitled, "The Sources of Invention," by Prof. John Jewkes, a distinguished British economist, was published in 1958. It shows that the genius for invention is still an individual quality, and it recounts the trials and tribulations of many inventors. Their ultimate success has resulted in the development of new products and processes that have benefited all of us. In addition, in every case patent protection furnished the sole means whereby an invention could be developed into a commercial product which in many instances provided the basis for establishing a new firm.

Mr. Speaker, the protection granted an inventor for a limited period in exchange for a complete description of his invention is responsible for much of our present-day progress. Professor Jewkes stated:

> Every inventor, however original he may appear to have been, is laying bricks upon a building which has long been in the course of construction from innumerable and unknown hands.

Professor Jewkes provides the answer for the question so frequently posed, "Is the individual inventor disappearing?" Mr. Speaker, I wish to quote directly from his text. He states:

> The evidence of the continued survival of the individual inventor is simply that many men who have lived in this century—numbers of whom are still, or were until recently, alive—fall into this category and by their genius have added enormously to the stock of useful ideas and to standards of living.

Subsequently he lists but a few of the names of great inventors whose inventions are widely used in our modern society.

Mr. Speaker, Professor Jewkes' list is necessarily only representative of the contributions of modern, independent inventors; however, I wish to insert this list at this point in my remarks:

H. Anschultz-Kaempfe, gyro-compass; E. Armstrong, radio; L. H. Baekeland, bakelite; F. G. Banting, insulin; W. B. Barnes, automobile overdrive; L. Biro, ball-point pen; J. E. Brandenberger, cellophane; S. G. Brown, gyro-compass; A. Campbell, cottonpicker; M. Camras, magnetic recording; C. Carlson, xerography; W. H. Carrier, air conditioning; W. Chalmers, plastic glass; J. de la Cierva, autogiro; F. G. Cottrell, electric precipitation; S. W. Cramer, air conditioning; J. Croning, shell moulding; F. W. Davis, power steering; Carleton Ellis, chemicals; P. Farnsworth, television; H. Ferguson, tractors; R. Fessenden, radio; C. G. Fink, chromium plating; A. Fleming, penicillin; L. de Forest, radio; K. Gillette, safety razor; L. Godowsky, Kodachrome; J. H. Hammond, Jr., electronics; J. Harwood, self-winding watch; H. F. Hobbs, automatic transmissions; E. Houdry, catalytic cracking of petroleum; S. Junghands, continuous casting; W. J. Kroll, titanium; E. H. Land, synthetic light polariser; F. W. Lanchester, aeronautics; E. O. Lawrence, cyclotron; L. Mannes, Kodachrome; G. Marconi, radio; C. Munters, gas refrigeration; W. Nickerson, safety razor; J. A. Nieuwland, neoprene; W. Normann, hardening of liquid fats; E. J. de Normanville, automobile transmissions; H. von Ohain, jet engine; R. P. Pescara, helicopter and free piston gas generator; V. Poulsen, magnetic recording; R. Rossmann, sulzer loom; J. and M. Rush, cottonpicker; P. M. Salerni, automatic transmissions; G. J. Sargent, chromium plating; F. Seech, ball-point pen ink; H. Sinclair, fluid flywheel; A. Steckel, steel rolling process; G. Sundback, zip fastener; E. A. Thompson, automobile transmissions; S. A. Waksman, streptomycin; F. Whittle, jet engine; K. Ziegler, polyethylene.

Mr. Speaker, all of the inventions Professor Jewkes lists has one common denominator—the concept of an individual protected with a patent resulted in commercial development through industrial corporations. Time does not permit a discussion of each of these notable achievements; however, I shall discuss a few as examples of how talented individuals responding to the stimulus of the patent system are able to bring their ideas to the consumer through commercial channels. It is of particular significance to me that a patent incentive results in inventions being perfected by individuals whose main occupation is often in a field of activity quite remote from their invention.

Mr. Speaker, I wish to insert a further excerpt from Professor Jewkes' study at this point in my remarks:

> The essential feature of innovation is that the path to it is not known beforehand. The less, therefore, an inventor is precommitted in his speculations by training and tradition, the better the chance of his escaping from the grooves of accepted thought. The history of invention provides many instances of the advantages, if not of positive ignorance, at least of a mind not too fully packed with existing knowledge or the records of past failures. The comparative novice may, indeed, plunge wildly, wasting much time, but his initial lack of knowledge may not be pure loss for he may be less deterred by possible difficulties and the false steps of the past. Inventors who have struggled through to success have often confessed that "if they had known the difficulties they would never have started." Nearly all the important inventions in steel production in

the 19th century came from rank outsiders whose ignorance of what could not be done was their chief asset. It has been said that Farnsworth may have benefited from his lack of contact with the outside scientific world and the work being pursued in television elsewhere. He tells the story of how at one stage a professor gave him four good reasons why his ideas, subsequently successful, could not possibly work. Shortly before the jump forward in solid state physics represented by the discovery of the transistor, scientific authority was being claimed for the belief that nothing more was to be known or found in this field. The first success in the use of short-wave radio for long range transmission was achieved by sceptics who refused to be deterred by the formal proof of mathematicians that this was impossible. C. F. Carlson, the inventor of xerography, tells of how his technical friends looked with scorn upon his waste of time. The first use of the controllable pitch propeller evoked in Europe theoretical proofs that such complicated mechanisms had no advantages.

The list of instances where a fresh and untutored mind has succeeded when the experts have failed, or have not thought it worth while trying, could be greatly extended. Some of them seem almost fantastic yet there is good authority for them; Gillette, the inventor of the safety razor, was a traveling salesman in crown corks. The joint inventors of Kodachrome were musicians. Eastman, when he revolutionized photography, was a bookkeeper. Carlson, the inventor of xerography, was a patent lawyer. The inventor of the ball-point pen was at various times sculptor, painter, and journalist. The automatic telephone dialing system was invented by an undertaker. All the varieties of successful automatic guns have come from individual inventors who were civilians. Two Swedish technical students were responsible for the invention of domestic gas refrigeration; a 20-year-old Harvard student for success in producing the first practical light-polarizing material. The viscose rayon industry was largely the result of the work of a consulting chemist, a former glass-blower, and a former bank clerk. An American newspaperman is credited with being the father of the parking meter. J. B. Dunlop, the inventor of the pneumatic tire, was a veterinary surgeon.

Scientists and technologists trained in one field have often been responsible for inventions in a field relatively unknown to them. B. N. Wallis, an aircraft designer, was responsible for some of the most important innovations in bomb design during the Second World War although he had little or no knowledge of that subject when he first turned his interest to it. Midgley had been trained as a mechanical engineer, but his great achievements when with General Motors were in the chemical field. Krilium, the new soil conditioner, was produced by chemists who had no knowledge of soil chemistry when they joined Monsanto. Föttinger had been trained as an electrical engineer, yet revolutionized hydraulic power transmission.

During the last war men with very varying backgrounds were in Great Britain given a chance to devote themselves to new weapons of war and methods of operation and they produced a steady stream of ideas, many of which were highly successful. Houdry was an engineer but he was responsible for the first practicable method of the catalytic cracking of petroleum. Goldmark, an engineer in charge of the Columbia Broadcasting System's color television experiments, invented the long-playing record.

The outsider often has less inhibitions in challenging accepted ideas and in trying out simple solutions when those better informed are searching for results by more complex and scientific routes. Long practice in a profession tends to form a crust on the mind (not, of course, without its value for many purposes) which results in things being taken for granted, in assumptions becoming deeply embedded, in simple questions being asked the most rarely. The growth of scientific specialisms may prove obstructive to innovation in two ways. First, specialist groups come to accept traditional interpretations of events difficult to break down except by the sceptical outsider who does not share the group loyalties. Second, the groups tend to become insulated from one another. For the specialists in one group, recognizing how much there is to learn in their own corner, become reluctant to advance views outside their own immediate range of knowledge.

Even where the individual is well informed of what is being done elsewhere, he may deliberately devote himself to unorthodox ideas, recognizing that his chance of making a mark is much less if he sets out to compete with larger organisation in producing mere improvements. The search for real originality, of course, reduces the chance of success, but the successes will be bigger when they come. Carlson in inventing xerography purposely steered away from anything resembling photography or other known chemical processes because he felt that this ground had already been fully explored by Eastman Kodak and other big companies in the field. E. W. Davis, who was largely responsible for the ultimate success of the use of taconite in providing supplies of iron ore, turned in this direction because it was known that the iron ore firms were exploring the conventional sources for ore. Earl Thompson invented synchro-mesh when the gear companies were all searching for easy change devices but trying free wheels, constant mesh gears etc., all of which were far less effective.

Indeed, nothing is more characteristic of the individual inventor than this disposition to fold his tent and quietly steal away to other territory when large-scale organised research comes into his field."

Mr. Speaker, Professor Jewkes refers to the contributions of Eugene J. Houdry, who died on July 18 of this year. He was the inventor of one of the most important catalytic cracking processes for producing gasoline. More than 100 patents had been issued to him, and the most recent was granted a month before his death, involving a process to reduce air pollution attributed to automobile exhaust fumes.

Mr. Speaker, a patent makes it possible for an independent inventor to secure the financial support which would otherwise be denied him to develop fully his contribution to our society.

A great American, Lewis L. Strauss, who served as a member of the Atomic Energy Commission under both Presidents Truman and Eisenhower, and who was closely associated with leading personalities in science and industry, is the author of a fascinating book, "Men and Decisions." He described in some detail the experiences of the two young musicians Professor Jewkes stated were the joint inventors of Kodachrome. They are Leopold Godowsky and Leopold Mannes.

Mr. Speaker, I wish to insert an excerpt from Lewis Strauss' "Men and Decisions" which refers to this development at this point in my remarks:

In 1922, Everett Somers, who as an Army sergeant had been assigned to our office in France, introduced two young musicians, Leopold Mannes and Leopold Godowsky. They were in their teens when as the result of a mutual interest in photography they conceived a method of making photographs in color with one exposure on a single film or plate using an ordinary camera. The process seemed uncomplicated enough for amateur use. I was persuaded to go to the laboratory of Mannes and Godowsky, which was the kitchen in an apartment, and there with a Brownie box camera I was permitted to photograph some strips of colored crepe paper fastened to the wall with thumbtacks. The plate was then developed, and there, to my astonishment and admiration, the primary colors, though muddy unquestionably had been reproduced.

Convinced, I arranged the necessary money to pay for patent applications and attorney fees and to rent and staff a small laboratory. The Eastman Kodak Co. cooperated by furnishing required sensitizers, dyes, and other material, but brushed the process itself aside as of no practical interest. Some years later the results were so outstanding that I decided to go over the head of the officers with whom we had been dealing unsuccessfully and traveled to Rochester with Sir William Wiseman, one of my associates, to show examples of the results which had been achieved to George Eastman himself. The upshot of that and subsequent meetings with Mr. Eastman and his director of research, Dr. Kenneth Mees, was an agreement which resulted in marketing the product called Kodachrome. Annually it earns many millions for the Kodak Co. and until the patents finally expired in 1952 was highly profitable to the young inventors and to all concerned. Color photography has become part of our daily living, and it is hard to recall that the days of black and white were only 25 years ago.

Mr. Speaker, in reviewing the role of the patent system in my remarks on March 5 of this year on the incentive offered by the patent system to individual inventors, I discussed the accomplishments of another inventor, Edwin H. Land, who founded the Polaroid Co. Once again Mr. Strauss throws additional light on the developments of this gifted and talented young American.

Mr. Speaker, I wish to insert a further excerpt from "Men and Decisions" reviewing the accomplishments of Mr. Land in many diverse fields at this point in my remarks:

Another decision was to back a young inventor, Edwin H. Land, who was introduced to me some 20 years ago by his camp counselor, Julius Silver. Land had made a radical discovery. He had found that he could incorporate certain crystals of microscopic size in a transparent plastic medium and could alter the random arrangement of the crystals so that they were all parallel. One result was that the transparent plastic would then transmit light waves in one plane only. Light so transmitted is "polarized." Light vibrating in any other plane would be blocked in varying degree, and at right angles to the axes of the crystals was shut out almost completely. This property had been observed in nature in a substance, familiar to first-year physics students, as a Nicol prism. Such prisms were not plentiful enough or large enough to be adaptable to Mr. Land's aim, which was to employ the effect for eliminating the hazard of headlight glare in night motoring. He had made enough of his light-polarizing product to demonstrate it convincingly. He called it Polaroid.

The worth of this idea and the true genius of Land impressed me at once, a fact of which I am proud.

Chairman, accompanied by other Civil Aeronautics Board officials; and public witnesses regarding the Federal Aviation Agency. Hearings continue Tuesday September 18.

WILDLIFE

Committee on Interior and Insular Affairs: Subcommittee on Irrigation and Reclamation met in executive session and ordered reported favorably to the full committee S. 1988, to aid in the administration of the Tule Lake, Lower Klamath, and Upper Klamath National Wildlife Refuges in Oregon and California.

Joint Committee Meetings

ORION NUCLEAR ROCKET

Joint Committee on Atomic Energy: Subcommittee on Research, Development, and Radiation held executive hearings to receive testimony on the use of the Orion nuclear rocket in the Nation's space program. Witnesses heard were Brockway McMillan, Assistant Secretary of the Air Force for Research and Development; and Maj. Gen. Marvin C. Demler, Director of Advanced Technology, Air Force.

AID TO HIGHER EDUCATION

Conferees, in executive session, reached agreement on the differences between the Senate- and House-passed versions of H.R. 8900, authorizing Federal financial assistance for institutions of higher education, and will meet again on Wednesday, September 19, to sign a conference report thereon.

FARM BILL

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 12391, proposed Food and Agriculture Act of 1962. Some of the major agreements of the conferees would include (1) provisions for a voluntary wheat, corn, and feed grain diversion program for 1963, (2) a permanent wheat certificate program beginning in 1964, and (3) price supports for corn at between 50 and 90 percent of parity beginning in 1964.

SELF-EMPLOYED PENSIONS, AND TARIFF MATTERS

Conferees, in executive session, agreed to file conference reports on the differences between the Senate- and House-passed versions of the following three bills: (1) H.R. 10, to encourage the establishment of voluntary pension plans by self-employed individuals; (2) H.R. 6682, to provide for the exemption of fowling nets from duty; and (3) H.R. 12180, to provide a temporary suspension of duty on personal and household effects brought into the U.S. under Government orders.

COMMITTEE MEETINGS FOR TUESDAY, SEPTEMBER 18

(*All meetings are open unless otherwise designated*)

Senate

Committee on Appropriations, subcommittee, on Bureau of Reclamation items in H.R. 12900, public works appropriations for fiscal 1963, 10 a.m., 1223 New Senate Office Building.

Subcommittee, on H.R. 12580, State, Justice, and Commerce appropriations for fiscal 1963, 2 p.m., room F–39, Capitol.

Committee on Armed Services, Preparedness Investigating Subcommittee, to continue its executive hearings on arms control and disarmament matters, to hear William C. Foster, Director, Arms Control and Disarmament Agency, 10:30 a.m., 224 Old Senate Office Building.

Committee on Banking and Currency, on H.R. 12080, interest rates on time deposits of foreign governments, 10 a.m., 5302 New Senate Office Building.

Committee on Commerce, on S. 3615, urban mass transportation bill, 10 a.m., 5110 New Senate Office Building.

Committee on Government Operations, Subcommittee on Intergovernmental Relations, executive, on subcommittee business, 10 a.m., to be followed by open hearings on problems in the field of Federal-State-local relations, 10:30 a.m., 3302 New Senate Office Building.

Committee on the Judiciary, subcommittee, on H.R. 30, granting congressional consent to the Northeastern Water and Related Land Resources Compact, 10:30 a.m., 2228 New Senate Office Building.

Committee on Post Office and Civil Service, executive, to resume consideration of H.R. 7927, Postal Revision Act, and Federal employees' pay legislation, 10:30 a.m., 6200 New Senate Office Building.

Committee on Public Works, Subcommittee on Public Buildings and Grounds, executive, on pending building projects, 9:30 a.m., 4200 New Senate Office Building.

Subcommittee on Flood Control—Rivers and Harbors, on omnibus flood control authorizations bill, 10 a.m., 4200 New Senate Office Building.

House

Committee on Agriculture, Subcommittee on Conservation and Credit, executive, on pending legislation, 10 a.m., 1310 New House Office Building.

Committee on Appropriations, executive, on foreign operations appropriations bill for fiscal year 1963, 10 a.m., F–16 U.S. Capitol Building.

Subcommittee on Defense, executive, 2 p.m., F–16 U.S. Capitol Building.

Committee on Education and Labor, executive, on pending legislation, 10 a.m., 429 Old House Office Building.

Committee on Foreign Affairs, executive, on H. Con. Res. 527, regarding Cuba, 10:30 a.m., G–3, U.S. Capitol Building.

Committee on Government Operations, Subcommittee on Executive and Legislative Reorganization, on H.R. 12479, re orderly transfer of executive power, 10 a.m., 1501–B New House Office Building.

Subcommittee on Government Activities, on investigation of FAA and CAB, 9:30 a.m., 100–B George Washington Inn.

Committee on Interior and Insular Affairs, on pending legislation, 9:45 a.m., 1324 New House Office Building.

Committee on the Judiciary, executive, on pending legislation, 10:30 a.m., 346 Old House Office Building.

Subcommittee No. 4, executive, on pending legislation, 10 a.m., 346 Old House Office Building.

Committee on Merchant Marine and Fisheries, Subcommittee on Fisheries and Wildlife Conservation, executive, on pending legislation, 10 a.m., 219 Old House Office Building.

Committee on Public Works, Subcommittee on Flood Control, on title II of the omnibus rivers and harbors and flood control bill, 10 a.m., 1302 New House Office Building.

Committee on Science and Astronautics, Subcommittee No. 4 on communications satellite development program, 10 a.m., 214–B New House Office Building.

Committee on Veterans' Affairs, on the operation of the non-service-connected pension program, 10 a.m., 356 Old House Office Building.

Joint Committee

Joint Committee on Atomic Energy, executive, to approve an ad hoc subcommittee's recommendation of an Executive Director of the Committee, 9:45 a.m., room AE–1, Capitol.

Executive, to meet with Chairman of the Joint Chiefs of Staff General Lemnitzer to discuss NATO weapons arrangements, 10 a.m., room AE–1, Capitol.

Senate section of the committee, executive, on the nomination of Glenn T. Seaborg, to be U.S. Representative to the General Conference of the International Atomic Energy Agency, and the nominations of four Alternate Representatives to this Agency (Henry DeWolf Smyth, Robert E. Wilson, James T. Ramey, and William I. Cargo), 11:30 a.m., room AE–1, Capitol.

Executive, on nuclear weapons permissive link program, 2 p.m., room AE–1, Capitol.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 21, 1962
For actions of Sept. 20, 1962
87th-2d No. 170

CONTENTS

Appropriations.....7,11,24
Claims.....11
Copyrights.....35
Courts.....8,21
Education.....9
Farm labor.....3
Farm program....1,17,29,31
Fisheries.....26
Foreign aid.....7
Foreign trade.....2
Forestry.....19
Government operations..13
Irrigation.....12,20,34
Lands.....10
Laws.....8,21
Leave.....18
Legislative program.....28
Lumber industry.....19
Migrant labor.....3
Migratory birds.....4
Minerals.....10,23
Monopolies.....14
Nominations.....25,30
Pay.....18
Personnel.....18,29
Reclamation.....12,20,32
Stockpiling.....22
Trade fairs.....15
Transportation.....6,27
Water compacts.....16
Water pollution.....33
Wheat.....34
Wilderness.....5

HIGHLIGHTS: House agreed to conference report on farm bill. Senate agreed to vote on farm bill conference report Tues., 9-25, 3 p.m. Sen. Williams, Del., charged certain USDA employees abuse leave privileges. House passed foreign aid appropriation bill. House Rules Committee cleared bill to further restrict employment of children in agriculture. Rep. Aspinall defended his committee's action on Wilderness bill. Sen. Curtis criticized effects of rail strike on shipment of farm products in Midwest. Senate committee received permission to report pay bill. Sen. Engle commended Calif. counties four-point program to aid lumber industry. Rep. Cooley commended Secretary Freeman and inserted article.

HOUSE

1. FARM PROGRAM. By a vote of 202 to 197, agreed to the conference report on H. R. 12391, the proposed Food and Agriculture Act of 1962. See Digest No. 167 for a summary of this bill. pp. 18989-9014

2. FOREIGN TRADE. Conferees were appointed on H. R. 11970, the proposed Trade Expansion Act of 1962. Senate conferees have been appointed. p. 18987

3. MIGRANT LABOR. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 1 hour of debate, on S. 1123, to amend the Fair Labor Standards Act of 1938, to extend the child labor provisions thereof to certain children employed in agriculture," and that the committee "Denied a rule on S. 1126, to provide for the registration of contractors of migrant agricultural workers." p. D873

4. MIGRATORY BIRDS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) with amendment S. 3504, to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission. p. D873

5. WILDERNESS. Rep. Aspinall defended his committee's action on H. R. 776, the wilderness bill, and said, " ... the extremists have ... created an atmosphere which makes impossible the enactment of any wilderness legislation during this Congress." pp. 19079-82

6. TRANSPORTATION. Received the conference report on S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State (H. Rept. 2439). pp. 18987-8, 19105

7. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 249 to 144, passed with amendment this bill, H. R. 13175. This bill includes $225,000,000 for development grants, $30,000,000 for investment guaranties, $525,000,000 for Alliance for Progress, $775,000,000 for development loans, $52,000,000 for the Peace Corps, and $2,000,000 for the International Monetary Fund. pp. 19030-68

8. LAW; COURTS. Concurred in the Senate amendments (with amendments) to H. R. 1960, to make it possible to bring actions against Government officials and agencies in U. S. district courts outside D. C., which, because of certain existing limitations on jurisdiction and venue, may now be brought only in the U. S. District Court for D. C. pp. 18988-9

9. EDUCATION. By a vote of 214 to 186, recommitted with instructions the conference report on H. R. 8900, the proposed College Academic Facilities and Student Assistance Act. pp. 19015-30

10. MINERALS. Received the conference reports on H. R. 8134, to effect a statutory withdrawal of certain former Taylor Grazing Act lands near Phoenix, Ariz., from all forms of entry under the public land laws (H. Rept. 2451), and H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. (H. Rept. 2452). pp. 10969-70, 19105

Concurred in the Senate amendments to H. R. 11266, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. This bill will now be sent to the President. p. 19073

11. CLAIMS. Received from the President supplemental appropriation estimate to pay claim and judgments against the U. S. (H. Doc. 558). p. 19105

12. RECLAMATION. Passed without amendment S. 1023, to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Ore. This bill will now be sent to the President. p. 19070

Passed as reported H. R. 7811, to amend the act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands, and S. 1060, to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. pp. 19070-2

13. GOVERNMENT OPERATIONS. Rep. Dawson submitted the 24th Report of the Committee on Government Operations (H. Rept. 2440). p. 19105

14. MONOPOLIES. The Subcommittee No. 5 of the Judiciary Committee voted to report to the full committee with amendment H. R. 3465, to reaffirm the national public policy and purposes of Congress in enacting the Robinson-Patman Anti-Price-Discrimination Act. p. D873

15. TRADE FAIRS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) with amendment S. 3389, to promote the foreign commerce of the U. S. through the use of mobile trade fairs. p. D873

16. COMPACTS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) S. 3431, to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment. D. 873

SENATE

17. FARM PROGRAM. Agreed to a unanimous-consent agreement by Sen. Mansfield to consider the conference report on H. R. 12391, the farm bill, Tues., Sept. 25, and to vote on adoption of the report at 3 p.m. that day. pp. 18959-60

Sen. Curtis criticized the President for not taking action to end the Chicago and North Western Railway strike which is affecting the shipment of agricultural commodities, urged enactment of legislation, if necessary, to end the strike, and inserted several items on the strike. pp. 18892-4

18. PERSONNEL. Sen. Williams, Del., stated that "early in April it was called to my attention that certain employees of the Department of Agriculture were abusing their annual and sick leave and were padding their official travel vouchers," and inserted his correspondence with the Civil Service Commission over one alleged case in REA p. 18902

Sen. Johnston, on behalf of the Post Office and Civil Service Committee, was granted permission to file a report on the Federal pay and postal rate bill this weekend during adjournment of the Senate. p. 18980

19. FORESTRY. Sen. Engle commended the four-point program proposed by the boards of supervisors of nine northern Calif. counties to aid the lumber industry and inserted their resolution on the proposal. p. 18900

20. RECLAMATION. Passed without amendment H. R. 11164, to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District and authorize similar contracts with any of the Columbia Basin irrigation districts (pp. 18953-60). This bill will now be sent to the President. By a vote of 13 to 61, rejected a proposed amendment by Sen. Miller to prohibit for 10 years the use of water from the project for the production on newly irrigated lands of any basic agricultural commodity in surplus supply (pp. 18953-9). Consideration of a similar bill, S. 3162, was indefinitely postponed (p. 18960).

Passed without amendment H. R. 575, to authorize the Secretary of the Interior to construct the upper division of the Baker reclamation project, Ore. This bill will now be sent to the President. pp. 18960-72

21. LAW; COURTS. Concurred in the House amendments to H. R. 1960, to make it possible to bring actions against Government officials and agencies in the U.S. district courts outside D. C., which, because of certain existing limitations on jurisdiction and venue, may now be brought only in the U. S. District Court for D. C. This bill will now be sent to the President. p. 18972

22. STOCKPILING. Passed without amendment H. R. 12416, to waive the statutory requirement for a 6-month waiting period before GSA is authorized to dispose of 4,000 long tons of chestnut tannin extract from the national stockpile. This bill will now be sent to the President. pp. 18972-3

Agreed to without amendment H. Con. Res. 509, expressing Congressional approval for the disposal by GSA of approximately 12,245 tons of chestnut tannin extract from the national stockpile. p. 18973

23. MINERALS. Conferees were appointed on S. 3451, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed. House conferees have not been appointed. pp. 18918-9

24. LEGISLATIVE BRANCH APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 11151, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 18914-6

25. NOMINATIONS. Confirmed the nomination of W. Willard Wirtz to be Secretary of Labor. pp. 18884-5

26. FISHERIES. The Commerce Committee reported S. Res. 392, expressing the sense of the Senate that the President should propose an International Conference on the Conservation of Fishery Resources. p. 18885

27. TRANSPORTATION. Sen. Bartlett inserted an article commending Sen. Magnuson for receiving the thirteenth annual National Transportation Award of the National Defense Transportation Association. pp. 18897-8

28. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the school lunch fund apportionment bill will probably be considered Fri., Sept. 21. p. 18959

ITEMS IN APPENDIX

29. FARM PROGRAM; PERSONNEL. Extension of remarks of Rep. Cooley commending Secretary Feeeman, stating that "Orville Freeman has provided fine leadership and by his intelligent devotion to duty he has endeared himself to the Members of Congress and to his countrymen," and inserting Drew Pearson's article, "Orville L. Freeman, the Farmers Champion." p. A6970

30. NOMINATIONS. Extension of remarks of Rep. Burke stating that in selecting Anthony J. Celebrezze as Secretary of HEW, President Kennedy has "added another truly outstanding member to his official family." pp. A6978-9

BILLS INTRODUCED

31. FARM PROGRAM. H. R. 13183, by Rep. Clem Miller, to amend the Agricultural Adjustment Act of 1933 as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 as amended; to Agriculture Committee.

32. RECLAMATION. H. R. 13184, by Rep. Sisk, to provide for the payment of compensation, including severance damages, for rights of way acquired by the United States in connection with reclamation projects the construction of which commenced after January 1, 1961; to Interior and Insular Affairs Committee.

33. WATER POLLUTION. H. R. 13186, by Rep. Blatnik, to amend the Federal Water Pollution Control Act to provide financial assistance to municipalities and others for the separation of combined sewers; to Public Works Committee. Remarks of author, p. A6968-9

out in greater detail the nature of the jurisdiction conferred. The Senate amendment makes it clear that the duty must be one owed to the plaintiff. It also specifies that where the duty involves the exercise of discretion, the court may compel the officer to exercise his discretion but, as the Senate report makes clear, the court may not direct or influence the substance of such a decision.

The second change proposed by the Senate is in respect to section 2 of the bill, the venue part. The House bill provided that an action within this section may be brought in any judicial district where a plaintiff in the action resides, or in which the cause of action arose, or in which any property involves in the action is situated. The Senate amendments both clarify and limit these provisions.

The Senate version limits the House bill where real property is involved in the action. In those cases the Senate would not provide for venue where the plaintiff resides.

The Senate amendments clarify in that they specifically provide for venue where a defendant in the action resides. As pointed out in the House report on this bill, it was contemplated that the provisions of the proposed section 1391 (e) would be supplementary rather than exclusive. Section 1391(b) now provides for venue in the judicial district where all the defendants reside.

The Senate amendment resolves any ambiguity which could arise in the relationship between section 1391(b) and the proposed section 1391(e) by making it clear that an action within section 1391(e) may be brought wherever a defendant in the action resides.

Finally, the Senate specifically provided that the venue provision should apply only to the extent that venue is not otherwise provided by law. The Senate report gives some examples of such proceedings. Included in those examples are proceedings brought with respect to Federal taxes and proceedings under section 5 of the act of September 26, 1961, relating to immigration. It is my understanding that as a result of section 8(a) of the Tennessee Valley Authority Act, actions against the TVA would be another example.

The Committee on the Judiciary believes that the Senate amendments contribute a great deal toward achieving clarity in this legislation. However, the committee is concerned with the wording of section 1 of the bill. The Department of Justice has informed the committee that it fears that this language may produce broad and unintended results. These, the Department states, may best be avoided by making specific reference in the statute to the mandamus concept. The Department has, therefore, proposed that section 1361 should read as follows:

> The district courts shall have original jurisdiction of any action in the nature of mandamus to compel an officer or employee of the United States or any agency thereof to perform a duty owed to the plaintiff.

The committee agrees that by specifically making relevant a body of known principles, greater certainty can be achieved. Accordingly, the committee accepts and endorses the amendment proposed by the Department of Justice.

The committee has been assured that with this amendment, the bill will receive the endorsement and support of both the Department of Justice and the Treasury Department.

We have also been assured that the amendment is acceptable to proponents of this legislation in the Senate.

Mr. POFF. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FORRESTER. Mr. Speaker, I offer a motion.

The SPEAKER. The Clerk will read the motion.

The Clerk read as follows:

> Mr. FORRESTER moves to concur in Senate amendment No. 1 with the following amendment: Strike out lines 3 through 5 on page 2 of the House engrossed copy and insert in lieu thereof the following: "The district courts shall have original jurisdiction of any action in the nature of mandamus to compel an officer or employee of the United States or any agency thereof to perform a duty owed to the plaintiff."

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. FORRESTER. Mr. Speaker, I offer a motion.

The SPEAKER. The Clerk will report the motion of the gentleman from Georgia.

The Clerk read as follows:

> Mr. FORRESTER moves to concur in Senate amendment No. 2.

The SPEAKER. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

A motion to reconsider was laid on the table.

CORRECTION ON ROLLCALLS

Mr. ASHBROOK. Mr. Speaker, on yesterday, on rollcall No. 232, I am recorded as not voting. I was present and noted "nay." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CRAMER. Mr. Speaker, on rollcall No. 233 I am recorded as not voting. I did in fact vote "nay." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 17, 1962.)

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. Will the gentleman yield the minority time on this conference report? I suggest he yield the minority 30 minutes.

Mr. COOLEY. I have such demand for time it would not be proper for me to comply with the gentleman's request, but I will yield the gentleman 20 minutes.

Mr. HOEVEN. Will it be understood, then, that the 20 minutes will be yielded to the gentleman from Iowa, and that he in turn may yield to Members on this side during the time limitation without losing the floor?

Mr. COOLEY. That is perfectly agreeable to me.

Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we are here now about to make a very important decision. I still maintain that the problems of agriculture are paramount to just about all of our other problems. If agriculture is impoverished the Nation and the national economy are in danger.

Our farm program for many years operated very successfully and very well. But in recent years we have sustained gigantic losses and accumulated gigantic surpluses. Unless action is taken, we revert to the program of 1958, under which we sustained these losses and accumulated these surpluses.

I want to congratulate and commend the members of our Committee on Agriculture on the splendid manner in which they have discharged the duties assigned to them. We started to work on farm legislation back in January. Here it is now well into the middle of September. We have been up the hill and down again. Finally a bill passed this House. We went to conference. Of course we knew we would have to make concessions and compose differences, and that we did, but we made, I think, a minimum of concessions and we forced the other body likewise to make substantial concessions.

We have a bill here now that I believe is perhaps better than the House bill and better than the Senate bill. It is a com-

bination of the two. I shall discuss later in these remarks the details of the conference report. Every provision in our bill was handled by a subcommittee and the chairmen of the subcommittees will explain these separate provisions. The grain section was handled by the gentleman from Texas [Mr. POAGE], the wheat section by the gentleman from Kansas [Mr. BREEDING], and all the other provisions were handled by subcommittees. We reached an agreement.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. What subcommittee handled the compensatory payments? That was in neither the House or Senate bill, but it shows up in the conference report.

Mr. COOLEY. The gentleman says it was in neither bill?

Mr. HALLECK. That is right.

Mr. COOLEY. Certainly we had payments in the House bill.

Mr. HALLECK. This kind of payment?

Mr. COOLEY. Well, we had payments for compliance with acreage reductions. This is payment in kind. You can call it compensatory payments if you want to. You can call it compliance payments. It is the same thing that has been used for the last 2 years.

Mr. HALLECK. My information is that this sort of proposition was never discussed in the committee. As a matter of fact, it is a complete departure from anything that we have ever had in farm legislation here except in the form of proposals from a previous administration that wanted this kind of a plan. It is a payment directly out of the Federal Treasury on a bushel basis to the farmer.

Mr. COOLEY. It is taken out of the warehouses—out of surplus stocks held by the Government—for payment in kind to farmers who comply with the program to divert land from the production of further surpluses. I think we would do well to use the surplus commodity rather than to use the cash. I cannot think of a better use for these surpluses than to prevent future surpluses. Much of our consideration has been with the problem of moving our surpluses in a manner to get the greatest return to the Treasury. This is why, for example, we have given the Secretary of Agriculture authority to use the private trade in making surplus sales for long-term dollar credit. And in this connection, Mr. Speaker, I want to say that the intent of Congress in passing the private trade amendment to sections 401 and 402 of title IV of Public Law 480 is for the purpose of conveying to the Secretary of Agriculture full authority to enter into private trade agreements as an additional sales means for moving agricultural commodities in order to regain, retain, develop, and expand dollar markets for such commodities. It is not intended that this authority should be administered as a foreign lending or assistance program. Therefore, this program should not be encumbered or delayed by being subjected to interagency and inter-governmental clearances, consultation and other procedures which usually apply in the case of such foreign lending and assistance programs. For example, consultation with other supplying countries would not only be inappropriate but could defeat the entire purpose of these amendments. These amendments do not change the disposal priorities for surpluses which were set out in the Conference report on the Agricultural Act of 1961: 1. Sales for cash dollars. 2. Sales for short-term dollar credit. 3. Barter for strategic and other materials. 4. Sales on long-term dollar credit under title IV. 5. Sales for foreign currency. 6. Donations.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. This plan was proposed to the committee by a member of the minority party, a member of our committee, and was considered by our committee.

Mr. COOLEY. Certainly we would not have inserted a provision dealing with payments if payments were not provided in either the Senate bill or the House bill.

Mr. Speaker, let us examine the bill first in relation to our objectives.

The No. 1 objective is to continue the upward movement of farm income. This is essential if we are to keep our Nation's economy moving, expanding, fulfilling our capabilities for strength and prosperity. Prior to 1961, declining farm income was a dangerous weakness in the American economy. This 87th Congress can take great pride that its first major legislation—the emergency feed grain action in 1961—increased farm income last year by more than a billion dollars, a jump of nearly 10 percent. And so far in 1962, the new level is being maintained and, we hope, bettered.

The second objective is to continue to reduce surpluses and the taxpayers' burdens in financing those surpluses. Under the previous legislation and previous administration of that legislation, surplus was piled upon surplus. Year after year, the burdens grew heavier. Our emergency legislation was designed to stem this avalanche of surpluses. It did far better than that. On July 1 this year, total stocks of feed grains and wheat in the United States were 532 million bushels less than on July 1, 1961, and Government carrying charges on the publicly owned grains are down approximately $213 million a year.

For the first time since 1952, production of feed grains in 1961 was reduced below the level of consumption. Carryover into the 1962–63 marketing year is down about 14 percent from a year earlier. The 1961 program alone will save taxpayers around $600 million.

The results being achieved in the 1962 feed grain program are of comparable importance.

In the 1962 wheat program, production of Winter wheat has been cut by nearly one-fourth.

These are solid achievements. We dare not return to costly, ineffective legislation previously in effect. But that is what we will do if we do not enact new legislation. The third objective I mentioned earlier is that of bringing about land use adjustments in line with the needs of the people.

Only two-thirds of the Nation's cropland is being used to produce the great abundance we now enjoy.

At least 38 million acres will come into production within a very short time unless we take action. Conservation reserve contracts will run out; the feed grain and wheat programs are temporary. Our failure to act would throw millions of acres of land into the production of commodities which not only are not needed but would be a burden upon the people. Yet there are good uses for land not needed in crop and livestock production—uses that will meet real needs of the people and at the same time help to rejuvenate the rural economy.

We have great opportunities to develop and safeguard the water resources of our Nation—water resources that are becoming scarce. We have the opportunity to clean up our streams, to prevent floods, to assure the Nation of timber supplies in the future, and to open up God's great outdoors to more members of our expanding national family of citizens.

Mr. Speaker, while others will discuss the provisions of the conference report in more detail, I shall read into the RECORD at this point a summary of the major parts of H.R. 12391, the Food and Agriculture Act of 1962.

TITLE I—LAND USE ADJUSTMENT

Section 101:

This section amends the Soil Conservation and Domestic Allotment Act to provide for continued Federal administration of the agricultural conservation program and provides authority for the Secretary of Agriculture to carry out long-range conservation plans with individual farmers and ranchers in all agricultural areas through agreements for periods not to exceed 10 years to provide for changes in cropping systems and land use, and for development of soil, water, forest, wildlife and recreation resources by means of cost sharing and other assistance.

Agreements may not be entered into covering land with respect to which the ownership has changed in the 2-year period preceding the first year of the contrast period except with successors by inheritance or purchasers during the contract period. Agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of 5 years.

The Secretary cannot enter into agreements providing for assistance in amounts in excess of $10 million for any calendar year, except that for calendar year 1963 he may provide assistance with respect to lands previously covered by conservation reserve contracts in an amount not exceeding an additional $15 million.

Section 102:

The amendments to title III of the Bankhead-Jones Farm Tenant Act include changes in section 31 to provide for the protection of fish and wildlife, but prohibits the building of industrial

parks or establishing private industrial or commercial enterprises. They provide that the Secretary of Agriculture may cooperate with Federal, State, and local public agencies in developing and carrying out plans for land conservation and land utilization. This will include the furnishing of technical assistance and loans.

These amendments authorize the Secretary of Agriculture to assist State and local public agencies designated by the Governor or the State legislature, through loans, to carry out land utilization plans. This would enable the Secretary of Agriculture to make loans to appropriate State and local public agencies for the purpose of facilitating the shift of land resources out of unsuitable uses or out of the unneeded production of surplus crops into new and better uses. It would also provide an opportunity for rural renewal development by authorizing the Secretary of Agriculture to help develop plans for improvements and to assist in carrying out such plans by means of loans to State and local public agencies. These plans could be developed for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and poorly developed community facilities. Their objective would be to create conditions that would make these communities attractive to private investment and individual enterprise.

Repayment of loans would be required in not more than 30 years, with interest at the average rate paid by the Treasury on obligations of similar maturity.

The Governor or appropriate State agency would have 45 days to disapprove plans of State or local agencies. A single loan over $250,000 would have to be approved by appropriate congressional committees. Repayment of loans may be deferred for not to exceed 5 years.

Sections 103 through 106 would make several important changes in the Watershed Protection and Flood Prevention Act.

Section 103 would make three changes in the existing authority contained in this act.

First, it adds recreational development as a purpose for cost sharing. This means, for example, that funds appropriated to carry out the purposes of the act could be used to cost share with local organizations in enlarging a reservoir to make it more suitable for recreation. It authorizes the Secretary to bear not to exceed one-half of the cost of land, easements, and rights-of-way for reservoir or other areas to be available for public recreation and of providing minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. This amendment would not authorize the Federal Government to acquire title to any land. It would be entirely optional with local organizations as to whether they would include public recreational developments in watershed projects which they sponsor. The Secretary would be authorized to participate in recreational development in any watershed project only to the extent that the need therefore is demonstrated in accordance with standards to be established by him. Moreover, the number of public recreational developments on which the Secretary would be authorized to cost share is limited to one such development in the smaller projects and no more than three in the largest projects.

Second, it authorizes the Secretary to advance funds to local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid with interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

Third, it would establish new criteria for Federal cost sharing for all purposes other than flood prevention and municipal or industrial water supply based on the principle of "consideration of national needs and assistance authorized for similar purposes under other Federal programs." This would permit the Secretary to establish definite cost-sharing requirements which are uniformly applicable in all watershed projects and which might be modified from time to time to conform with changes authorized for Federal assistance in other programs or to meet changing national needs.

Section 104 would provide authority to the Secretary comparable to that previously given to the Secretary of the Army and the Secretary of the Interior in the Water Supply Act of 1958, as amended, to assist local organizations in developing municipal and industrial water supply for future use.

Section 105 would delete certain obsolete language and would clarify the authority of the Secretary to provide engineering services for municipal and industrial water supply on a reimbursable basis.

Section 106 would specifically provide that amendments included in sections 103 and 104 and all subsequent amendments to section 4 of the Watershed Protection and Flood Prevention Act are made equally applicable to the 11 watersheds authorized under the Flood Control Act of 1944.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

The provisions of title II relate to long-term supply contracts through dollar credit export sales under title IV of Public Law 480 and also to the nonprofit school lunch programs carried out overseas through the charitable organizations and intergovernmental agencies like UNICEF.

In the title IV, Public Law 480, long-term dollar credit sales, one of the most significant amendments is to authorize agreements with the private trade in addition to those which had previously been authorized with the governments of friendly nations.

The purpose is to stimulate the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of these commodities, so that these agricultural commodities will assist in the development of the economies of friendly nations, and to maximize our U.S. dollar trade.

The Secretary of Agriculture is authorized to enter into sales agreements with foreign and U.S. private trade firms and institutions. The agreements with the private trade also must provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for commodities sold under the agreement.

The use of financial institutions acting in behalf of friendly nations would be authorized in addition to the previous authority to enter into agreements directly with the Government agencies of friendly countries.

The payment provisions are also modified to permit scheduling payments in reasonable, rather than approximately equal, annual amounts, and the date for beginning annual payments may be deferred for not more than 2 years after the last delivery in each calendar year.

A change was also adopted in the provision relating to participation by other friendly and historic supplying nations in the supply and assistance program authorized under title IV. Existing legislation required the Secretary of Agriculture to endeavor to reach agreements with other exporting nations, whereas the amendment makes this authorization discretionary with the Secretary. Title IV is also amended so as to make applicable the policies of utilizing private trade channels and emphasizing market development, as in the case of foreign currency sales.

Sections 202 through 205 relate to the nonprofit school lunch programs which are also often referred to as "school feeding programs" or "child feeding programs." The basic authorities in section 416 of the Agricultural Act of 1949, as amended by the provisions in section 302 of Public Law 480 and supplemented by other related statutes, are amended in this bill in accordance with the House provisions.

In addition to the authority for donation of commodities from the stocks of CCC and the purchases made pursuant to specific statutory authorizations, donations are specifically authorized for use in nonprofit school lunch programs outside the United States as well as assistance of needy persons.

The House provision in section 205 has been clarified to cover specifically the three statutes being amended in sections 202 through 204. This section as it passed the House and has been clarified by the conference committee provides that the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of these school feeding programs outside the United States on a basis of ability to pay. In addition to clarifying the availability of commodities for these programs, it is provided that the programs shall be undertaken with the understanding that commodities will be available for them only in accordance with the provisions of these authorizing statutes, and the

usual priorities as established in the provisions of section 416 of the Agricultural Act of 1949, as amended, with respect to commodities made available under section 416.

THE 1963 FEED GRAIN PROGRAM

For the 1963 crop of corn, grain sorghum and barley, producers can participate voluntarily by reducing their 1959–60 base acreage of those three crops by a minimum of 20 percent and up to 50 percent. Up to 25 acres may be diverted on any farm notwithstanding the maximum diversion rate of 50 percent. Participating producers will be eligible for price support on corn at $1.20 per bushel, to be provided through a price support loan at a national average rate of $1.02, and payment-in-kind of 18 cents per bushel from CCC stocks. Participating producers will also receive diversion payments computed at 50 percent of the value—at the price support level—of normal production on the diverted acreage.

No price support will be available to nonparticipants. CCC will assist producers in marketing their payment-in-kind certificates. Feed grains provided by CCC for certificates shall be valued at not less than the support price minus the 18 cents payment-in-kind.

Unlike the 1962 program, barley will be included in the corn and sorghum program. Also, the provisions for producing crops such as sesame and safflower on diverted acres are nearly identical with the 1962 provisions, and include authority for the Secretary to make partial diversion payments on such acreage.

This program will enable the Secretary to continue the improvement in farm income begun last year, to reduce the carryover of feed grains for the third successive year, and to continue to stabilize the livestock economy through a sound feed grain program.

The following application of the proposed feed grain program for 1963 to a typical corn farm shows that the provisions of H.R. 12391 will return to the farmer exactly the same benefits as would a straight extension of the 1962 program, but will cost the Government more than $1,000 less:

Comparison of H.R. 12391 and extension of 1962 feed grain program

Acres corn base: 100.
Acres diverted: 20.
Bushels per acre: 75.
Support: $1.20.
Payment in kind: $0.18.
Loan: $1.02.

BENEFITS TO FARMERS—H.R. 12391

20 acres diverted times 75 bushels per acre divided by 2 equals 750 bushels times $1.20 support	$900
80 acres planted times 75 bushels per acre equals 6,000 bushels times 18 cents payment in kind	1,080
Equals 6,000 bushels times $1.02 loan (or sale)	6,120
Total	8,100

Comparison of H.R. 12391 and extension of 1962 feed grain program—Continued

EXTENSION OF 1962 PROGRAM

20 acres diverted times 75 bushels per acre divided by 2 equals 750 bushels times $1.20 support	$900
80 acres planted times 75 bushels per acre equals 6,000 bushels times $1.20 support	7,200
Total	8,100

COST TO GOVERNMENT—H.R. 12391

Diversion payment	900
Payment in kind	1,080
Total	1,980

(NOTE.—No loss on loans because, with market at about $1.00 to $1.05, little or no corn would be placed under loan.)

EXTENSION OF 1962 PROGRAM

Diversion payment	$900
Storage for 1 year (6,000 bushels at 13.5 cents	810
Handling equals 2.5 cents rail, 4.25 truck) (6,000 times 2.5)	150
Administration (6,000 times ½ cent)	30
Interest ($7,200 at 3 percent)	216
Loss on resale ($1.20–$1.05) (6,000 at 15 cents)	900
Total	3,006
Saving to Government by adoption of H.R. 12391	1,026

THE 1963 WHEAT PROGRAM

Farmers have already approved marketing quotas for the 1963 crop of wheat, and are planting or preparing to plant an acreage based upon the 55-million-acre national allotment. The conference report requires no change from that procedure by farmers. It does provide, however, a voluntary diversion program for 1963 crop wheat similar to the 1962 program and to the 1963 feed grain program. Producers would be eligible for price support at $1.82 per bushel, if they do not exceed their farm acreage allotment based upon the 55-million-acre national allotment. Producers would also be able to voluntarily participate in an acreage diversion program for the 1963 crop of wheat, and if they divert at least 20 percent of their wheat allotment or in the case of small farms of less than 15 acres of their average planting of wheat for 1959, 1960, and 1961, to conservation uses, would be eligible for diversion payment equal to 50 percent of the value of normal production on the diverted acreage, and for payment-in-kind at a rate of 18 cents per bushel on the normal production of the acreage devoted to wheat. Therefore, producers who participate in this special program would receive price support at $2 per bushel, through the combination of the loan and the payment-in-kind programs. The maximum diversion on any farm would be either 50 percent of the allotment or in case of small farms, up to 10 acres.

Provisions relating to the production of crops such as safflower and sesame would be essentially the same as for feed grains.

THE 1964 FEED GRAIN PROGRAM

Both the House of Representatives and the Senate approved a change in the price support authority for corn beginning with the 1964 crop. The House bill provided price support at 80 percent of the 3-year average market price. The Senate bill provided price support from 0 to 90 percent of parity at such level as would not add to CCC stocks of corn.

The conference report requires that beginning with the 1964 crop corn, price supports would be between 50 and 90 percent of parity at such a level as the Secretary determines would not add to CCC stocks of corn. Price supports for other feed grains would be related to corn.

THE 1964 WHEAT PROGRAM

Congress has studied the wheat problem for many years and has taken corrective action several times within the last few years only to see it fail for one reason or another. The wheat marketing certificate program would provide a permanent program of long-range benefit to wheat producers, to the public, and the grain industry. It would put an end to the uncertainty the wheat farmers have been faced with each year.

There are two principal features of the permanent wheat provisions of the conference report. The first would eliminate the 55-million-acre national allotment and would authorize the Secretary to estimate the total requirements for wheat in the coming year and to announce an acreage allotment large enough to meet those requirements. This is what we have been doing for years in the tobacco program, the cotton program, and the rice program. It can be done just as successfully for wheat. Producers would qualify for diversion payments for 2 years on an acreage equal to the difference between their new allotment under the bill and their wheat allotment in 1961. This would support farm income and prevent those acreages from being turned to other crops.

The other principal factor of the wheat program is a change in the price-support system. A marketing certificate program which would assure producers of price supports between 65 and 90 percent of parity for their share of wheat used for food and for a large portion of the exports would be substituted for the present price-support system. The main advantages of the marketing certificate program are that it provides greater flexibility for farmers to produce wheat as a feed grain if they want to, and that it limits higher price support level for wheat to a stated number of bushels. The certificates provide a means of distinguishing between wheat for food and export to be supported between 65 and 90 percent of parity and wheat for feed.

This change in the price support system for wheat is not something new that the Congress is being asked to consider. A marketing certificate program called the domestic parity program was approved by Congress but vetoed by the President in 1956. Similar proposals were considered by the Congress as far back as the early 1930's. There is broad agreement that the certificate program

for wheat is a real improvement over the present price support system both for farmers and the Government. No substantial objections to the certificate program have been raised before the Agriculture Committee of the House.

There are other important provisions in the permanent wheat program:

First. The 15-acre exemption under which any farmer could grow 15 acres of wheat would be terminated permanently. Producers who have built up an acreage history under this provision, however, would be credited with their 3-year average acreage.

Second. Producers with 15 acres or less could also decide whether they wanted to be subjected to the program or exempt from it, and if they decided to be subject to the program could divert as much as their entire acreage for payment.

Third. Certain crops not in surplus supply, such as safflower, sesame and other minor crops, could be produced on diverted acreage at the discretion of the Secretary, and partial diversion payments could be made.

Fourth. If more than one-third of the producers voting in the referendum opposed the program, price support would be provided at 50 percent of parity to cooperators.

The Secretary has assured the Agriculture Committee that if this proposed program had been put in effect in 1963, he would have expected to issue marketing certificates in the amount of approximately 925 million bushels, and would have provided price support at approximately $2 per bushel on that amount of wheat. Determinations of the percentage of the crop to be supported in the range of 65 to 90 percent of parity in later years would be based primarily on farm income objectives.

The bill provides also that the Secretary may increase the allotment for any type of wheat which would otherwise be in short supply. This will make it possible to gear the supply of different kinds of wheat to the market demand for different kinds of wheat.

Authority is provided also for the Secretary to permit wheat to be produced on feed grain acreages to such extent and under such conditions as will not impair the operation of the wheat program. It is understood that this authority would not be used except in the case when an acreage diversion program for feed grains was in effect.

Adequate authority is provided in the bill for the Secretary to administer the wheat marketing certificate program in a manner agreeable both to wheat producers and the wheat and flour industry. Authority is provided also for the Secretary to make an orderly transition from the 1963 wheat program to the 1964 program in a manner which will avoid both windfall profits and unexpected losses which might otherwise occur. It is important this program is being enacted a year in advance of its effective date, so that the Department of Agriculture has an opportunity to work out proper regulations, to consult with all parties concerned, and to announce the provisions for operation of the program well in advance.

TITLE IV—FARMERS HOME ADMINISTRATION

The bill makes the following changes in the lending authorities of the Farmers Home Administration:

First. Adds "recreational uses and facilities" to the purposes for which real estate loans may be made or insured to the owner-operators of not larger than family farms.

Second. Adds "shifts in land use including the development of recreational facilities" to the purposes for which loans may be made or insured to associations serving farmers and other rural residents,

Third. Adds "recreational uses and facilities" to the purposes for which operating loans may be made to the operator of not larger than family farms,

Fourth. Adds a definition of farmers to include persons engaged in fish farming among farmers eligible for loans, and

Fifth. Increases from 10 million to 25 million the aggregate of the real estate loans which the Secretary may make out of the insurance fund to be sold and insured, which are on hand and not disposed of at any one time.

Those are the major provisions of the legislation before us. Now let me give you what I believe to be the facts about costs.

The 1963 feed grain program would require lower expenditures than a program of the 1960 type despite the very substantial payments. Considerable cost will be averted by the new method of providing price support—that is, the use of the payment in kind for part of the support price. This will make unnecessary a considerable amount of work by CCC in selling grain from stocks and in taking over other grain. It will leave grain trading to farmers and the grain trade, to a much greater extent. While it is not possible to forecast all details of the operation, we know that CCC will save some money because it will not be taking losses on grain sales, and the savings can be applied to the cost of the payments. We know also that this program will be attractive to producers and that this will result in further reductions—very sizable reductions—in Government stocks. This will result in great savings over a period of years.

As to the 1963 wheat program, we can anticipate that costs should be at least $100 million lower than for the 1962 program, which is providing ultimate savings of at least $100 million to taxpayers. Perhaps even more to the point is the fact that the proposed 1963 program will cost far less than the old type of program which would otherwise be in effect.

The proposed program will cost less than that of 1962 because we are eliminating payments on the mandatory 10-percent reduction, and the 18-cents-a-bushel payment will not take up the full saving. Also, export subsidy costs will be down because the support level as far as the market is concerned will be lower.

The 1964 wheat program should bring net costs down to a somewhat lower level than for the 1962 crop and about a quarter of a billion dollars less than for a program of the 1960 type. One of the appeals of the domestic parity type of program has always been that it would reduce export subsidy costs. Every bushel exported now is subsidized in one way or another. Under the wheat certificate program, wheat for domestic food use can be supported at a domestic parity level, and export wheat can move at a lower level.

Let me assure the House also that this bill will help to maintain stable prices for consumers by retaining support levels for feed grains and wheat at about the levels of 1962. There would be no justification for increases in the prices of bread or flour as a result of the 1963 wheat program or as a result of the long-range wheat program. There would be no justification for an increase in consumer prices of livestock products as a result of the proposed feed grain program.

There has been some misunderstanding of the provision that would permit wheat production on feed grain acreage when a feed grain acreage diversion program is in effect. The misunderstanding arises from the failure to appreciate that one grain would be a substitute for the other, not added to another. This provsion would merely give farmers in some areas a little greater flexibility in their farming operations, a little greater range of choice as to which grain to plant.

Let me also remind you that the purpose of the payments in kind under this bill is to draw down Government stocks of grain. Remember that the producer who receives a payment in kind has three choices: He can take the grain, he can use the certificate in place of cash in doing business, or he can have the CCC market the certificate for him and give him the cash. These payments in kind do not take the place of commodity loans, purchase agreements, and other methods of price support. They are supplementary to other methods, and they offer an opportunity to use products in which the Government already has a tremendous investment, to save storage and handling costs, and to avoid additional public investments for price-support purposes.

Now, Mr. Speaker, to conclude—here is our last clear chance to enact farm legislation which we honestly believe will result in a decrease in production, a decrease in cost, and at the same time will maintain farm income and will not disrupt ordinary and normal trade and commerce. I urge every Member to vote for the conference report on H.R. 12391.

The SPEAKER. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Speaker, I yield myself 5 minutes.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, I regret exceedingly that the time is so limited to consider this conference report on this most important piece of farm legislation. I think all of you have advised yourselves rather well as to the intricate provisions of this conference report. With only one-third of the time of debate available to the minority side we simply are not going to have time to analyze it as we would like to do. Let me say at the outset, however, that I do not

consider the Members of this House who oppose this report as selfish interests eager to distort the facts. Neither do I consider the opponents of this conference report as promoters of higher tax costs, lower farm income, and increased consumer burdens. As intimated in some of the letters being circulated This conference report is just plain bad on its own merits. It needs no one else to help.

Now that the gentleman from North Carolina has summarized some of the major points in this conference report, let me say this:

The fact is that this is a unilateral conference report. It was not signed by any of the minority members of the conference committee either in the Senate or in the House, which should indicate that this is a very bad conference report which should be recommitted, or most certainly defeated.

In submitting the conference report there has been a complete capitulation by the House conferees—on the part of those who signed the conference report. The only basic similarity between the original House bill as passed on July 19 and the conference report is that the number of the House bill has been retained.

Here are some of the major concessions made in conference:

First. On recreation by allowing payments to farmers under the agricultural conservation program for converting cropland into recreational uses.

Second. Again on recreation, by allowing public recreational facilities available to all American citizens to be established in small watershed projects developed under Public Law 566. These recreation authorities of course are in addition to the Farmers Home Administration recreation loan authority that was in both bills and thus not in conference about which Secretary Freeman testified before our committee would be made for pitch and putt golf courses.

Third. On Public Law 480, by eliminating the amendment adopted in our committee placing a termination date on world school lunch programs.

Fourth. On commodity programs, by accepting lock, stock, and barrel the certificate or two-price wheat plan for 1964.

Fifth. Again on commodity programs, by adopting expensive Brannan plan type payments for the 1963 wheat and feed grain programs.

Sixth. Again on commodity programs, by eliminating completely the House-passed dairy program.

Seventh. Again on commodity programs, by accepting in 1964 with minor modifications the "pull the rug from under the corn farmer" provisions of the Senate bill.

Eighth. On allowing compulsory checkoffs for promotion and advertising under cherry marketing orders.

Ninth. And finally, on allowing Farmers Home Administration loans to fish farmers.

And upon what major items did the House prevail during this conference? Let me tell you.

First. The House number on the bill was retained.

Second. The same Senate research bill which had been rejected by the House three times previously was dropped.

Third. Several miscellaneous provisions such as sewer loans by the FHA, an REA loan account, a policy statement on farmer co-ops, and recreation under the Bankhead-Jones Act was eliminated.

That certainly is not much of a trade in my book. The House even lost bird seed in this conference.

This report encompasses many things, of course. First of all let me refer to the feed grain section. It pulls the rug from under the corn and feed grain farmer. Starting in 1964 it proposes price supports from 50 percent of parity to 90 percent of parity at such level as will not increase CCC stocks of corn in lieu of the act of 1958 which provides for a 65 percent of parity floor and 90 percent of the last 3-year market average. Under the conference report, the only criteria that the Secretary need follow in fixing price supports is that corn shall not accumulate in Commodity Credit Corporation stocks. So there you have the gadget. I want to say right here and now and predict that if the conference report is approved, the price support for corn will be fixed at 50 percent of parity, or about 80 cents a bushel. It is the clear intent of the author of this provision to do so. The rug will be pulled out from under the corn farmer and he will be faced with no payments whatsoever and price support at 80 cents a bushel. Not only that, but the Government surplus could be dumped on the market at 84 cents a bushel, plus carrying charges, and 175 million bushels of cheap wheat would be thrown into artificial competition with corn.

I am not going to go back to my Iowa farmers and tell them that I voted to give them 80-cent corn. I do not think you people from the wheat areas want to go back to your wheat farmers and tell them that the House has foisted upon them a two-price certificate system which they do not want. Under the proposed 1964 certificate wheat plan, some 925 million bushels of wheat would be sold for food and export needs under a complex certificate system designed to give the farmer $2 per bushel. Some 175 million bushels of wheat would be marketed as feed at a price-support level set in relation to the price support on feed grains, relative feeding value, and world wheat prices. U.S. Department of Agriculture officials told the House-Senate conferees that the 1964 wheat support would be 92 cents, if based on 80-cent corn. In addition, wheat farmers would be required to cut their present acreage by at least 20 percent below their 1963 allotments, and would be eligible for diversion payments based on 50 percent of their normal yield on the retired acreage for only 2 years. After 1965 there would be no further diversion payments.

What this means is cheap feed wheat being dumped on the corn market, sharply reduced acreage and income for wheat farmers, a bread tax of $1.08 per bushel on consumers, and continued high costs to taxpayers.

In fact, I do not know of very many people who are in favor of this legislation except those who are determined to put it over for political purposes. This 1964 corn and feed grain program is of course nothing more than a brazen attempt to blackjack the corn farmer to his knees so that strict controls can be applied next year. I, for one, refused to sign this conference report because I will not be a party to such a ruthless political scheme.

Incidentally, what happened to "parity of income"? Who has abandoned "90 percent of parity"? This administration rode to power on these banners, but yet not one crop enjoys 90 percent of parity price support, not even those under controls.

Tobacco has a special formula which was enacted 2 years ago to prevent tobacco suports from going higher under the "new parity" formula.

Upland cotton is currently supported at 82 percent of parity, rice at 76 percent of parity, peanuts at 82 percent of parity, and wheat at 75 percent of parity; yet, these crops are all under controls. With a stroke of his pen, Mr. Freeman could set them at 90 percent of parity. He has all the legal authority in the world to do so. "Supply management" is obviously not enough to achieve 90 percent of parity. What this administration is striving for, it seems, is a program with Freeman controls and Committee for Economic Development price supports.

The farmers in general are not for the bill, the wheat farmers as a whole are not for it, the overwhelming number of feed grain farmers are not for it, the livestock industry is not for it, and most certainly the taxpayers are not for it, because no one has yet come up with a price tag on this new legislation. I honestly believe it is going to cost millions and millions of dollars more than the present program under which we are now operating.

I think that at this point a word of explanation on the difference between the proposed 1963 wheat and feed grain programs and my substitute to H.R. 11222, the omnibus farm bill rejected by the House, is in order.

The Hoeven substitute to H.R. 11222 contained a provision originated by the gentleman from Minnesota [Mr. QUIE] to make payments in kind available to complying feed grain farmers in lieu of price support by nonrecourse loans.

The conference report makes payments in both cash and in kind and these payments are not in lieu of price support, they are in addition to price support through nonrecourse loans.

The purpose of the provision in the substitute was to prevent CCC from acquiring corn at $1.20 a bushel and then dumping it back into the market at $1 a bushel. It was designed to prevent a wholesale shuffling of the surplus. The substitute would also have prevented the resale of CCC-owned surplus feed grain into domestic markets for less than 5 percent above the support price. The conference report makes no such provision for the grain represented by the 18-cent payments.

To compare the conference report to the Hoeven substitute is like comparing vinegar and water. They both have

some properties in common, but what a difference it makes if you are thirsty.

I propose a way out. I propose to offer a motion to recommit with instructions. I think if it is adopted—and I do not believe anyone can afford to take a chance in not voting for the motion to recommit with instructions. We are now at the crossroads, because I am sure we are going to be faced next year with another strict control program, and I can prove my assertion from the CONGRESSIONAL RECORD itself. I want to warn you right now as to what is in the making for 1964 and further years.

The conference report is only stopgap legislation continuing the wheat and feed grain programs for 1963 with the new gadget, the so-called Brannan plan type of compensatory payments, it is a very lush proposal for the feed grain farmer. I think he would like it. But what is going to be the situation in 1964 and from there on after the rug has been pulled from under the feed grain farmer and the wheat farmer—when they come in with a control program next year with further acreage restrictions and marketing controls, the very thing this House has repudiated time and time again?

This has been an important struggle through the past 2 years, and here we have again another attempt to regiment and control the American farmer when he does not want to be regimented and controlled.

In discussion of the late lamented omnibus farm bill in the other body, the Senator from Kentucky, Mr. COOPER, in asking a question of Mr. ELLENDER, the chairman of the Agriculture Committee, you will find on page 16138 of the RECORD of Tuesday, August 21, 1962, the following:

Mr. COOPER. I know the purpose of the chairman as he made very clear yesterday on the floor is to secure, if possible, enactment next year of the compulsory feed grain program.

Mr. ELLENDER. Yes.

Then he went on to say some other things but his statement was direct and clear.

This is kind of a trap in which I do not propose to be caught: a lush proposal for corn farmers in 1963, and then in 1964 to be confronted with a situation where the Secretary of Agriculture can say to the corn farmer: "You take this strict control program in 1964 or you get nothing, because we pulled the rug from under you in 1962."

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I do not have time; I am sorry.

What is wrong with the present feed grain program which I seek to extend for another year in my motion to recommit? It has the full endorsement of the present Secretary of Agriculture, Mr. Freeman. He said so in a letter which was sent to every Member under date of September 18. Here is what he said in part:

As everyone knows, these programs (1961 feed grain and wheat programs) have been an outstanding success.

The 1961 feed grain program has reduced Government stocks by 400 million bushels and has saved the taxpayers over $230 million on storage and interest charges.

He said that the programs "had contributed to the most phenomenal increase in farm income since 1953, that farm income in 1961 was increased more than $1 billion."

You have been asked to destroy this beginning.

Why hesitate to vote for the motion to recommit with instructions to carry on the very program in 1963 which the Secretary of Agriculture said has been such a huge success in 1961 and 1962?

I feel that this bill must be returned to the conference if we are to ever maintain some sense of sanity in the price support program. While I do not feel that some of the other provisions in the bill are fully acceptable, I have confined my motion to feed grains and wheat only. My motion is designed to achieve these results:

First. It would delete the complicated, unworkable, and unfair wheat certificate plan for 1964 and subsequent years. This is the proposal which would dump some 175 million bushels of cheap feed wheat into artificial competition with corn and feed grains, would impose an even greater bread tax on consumers, and would sharply deflate the income of wheat farmers while continuing excessive Government costs.

Second. It would delete the provision which beginning in 1964 would completely pull the rug from under the corn farmer by setting corn supports at 80 cents a bushel, or only 50 percent of parity, while dumping surplus feed grains back on the market at only 84 cents per bushel, plus carrying charges. This provision is nothing more than a brazen attempt to blackjack the corn farmer to his knees so that strict controls can be applied next year.

Third. It would delete the proposed 1963 wheat and feed grain programs which are financed in both cash and in kind through the back door of the Treasury with the new gadget making direct payments as a part of price support.

Fourth. In place of these provisions, it would extend for 1 year the present feed grain program without change. This program has been in existence for 2 years now and its results are a known quantity. Farmers understand how it works, and in my State of Iowa, there has been high participation. This is not the time to tinker with this established program and replace it with an untried and apparently very expensive new program.

Fifth. It would extend for 1 year the voluntary features of the present wheat program. It is of course impossible to extend the present wheat program without change because the present program carries a mandatory cut in acreage and a general lightening of controls, and wheat farmers have already voted in a national referendum on the old program established by the 1938 act. It just would not be fair to wheat farmers to change their program now and require cuts in acreage after they had voted. The only way open is to offer a voluntary reduction opportunity, and that is what the motion to recommit proposes.

The motion to recommit will not disturb the conference report as to titles 1, 2, and 4; I simply lift the feed grains section and the wheat section from the conference report and substitute a 1-year extension of the present Feed Grain Act and a 1-year extension of the present Wheat Act. This is the thing to do and thus avoid the trap which is being set for us.

The choice before the House boils down to this—either we take the certificate wheat plan, pull the rug from under the corn farmer, adopt a new and untried program for 1963, or we simply extend for 1 year with as little change as possible the present wheat and feed grain programs. The choice seems apparent to me, and I sincerely urge the House to adopt this motion to recommit.

Mr. COOLEY. Mr. Speaker, in answer to the charge that the House conferees capitulated, I would remind the gentleman from Iowa that there were 27 major differences between the House and Senate. The House position was accepted on 15 of these differences and the Senate only on 12 of the differences. I know all of you have received propaganda in opposition to this bill. The Farm Bureau has been especially active.

I have in my hand a letter dated September 14, 1962, signed by John C. Lynn, legislative director, American Farm Bureau Federation, and I should like to quote one sentence from that letter:

In my estimation, no farmer with a corn or feed grain base can afford to stay out of this program.

Which means the Farm Bureau is opposed to the bill because it is too good for the farmers of America.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I am not here to raise the point at all, but there is nothing said in that letter about the consequences of the act of 1964 and thereafter. It relates to the act of 1963, and I admit very frankly that that is to pacify the farmers.

Mr. COOLEY. Let me quote another phrase:

I cannot understand why you would vote for this kind of a program which will benefit primarily the Midwest corn and wheat States.

There is the statement from the legislative director of the Farm Bureau, notwithstanding the propaganda that was spread all over this House yesterday and is continuing today.

Mr. HOEVEN. In all fairness, that statement applies only to the act of 1962, not to 1963, or 1964. You are asking us to take the sweet with the bitter.

Mr. COOLEY. You can take any of it. You may object to it.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. ROOSEVELT. I think those of us who do not come from farm areas, areas

that we do not consider to be agricultural, should like to ask a question: Does this to the consumers of our city areas mean a probable increase in cost?

Mr. COOLEY. Absolutely not.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. MICHEL. I think the gentleman from California raises a very good question. I want to give to the House a simple example of what could happen in a district like mine in connection with a 100-acre allotment of corn. A farmer could get a diversion payment plus a compensatory payment that in total could come out to a figure of $105.50 for each acre of land taken out of production.

This $105.50 an acre breaks down as follows, for a corn farmer in my area who has an acreage allotment of 100 acres and an average yield per acre of 80 bushels.

The bill, as I understand it, provides 18 cents per bushel for the normal yield times 80 percent of the acreage allotment which would in this case be 18 cents times 80 bushels, or $14.40 per acre times 80 acres, or a total of $1,152.

Now this is the compensatory payment alone, but I would remind my friends, particularly from the urban centers, that this farmer is still eligible to receive a land diversion payment calculated at 60 cents per bushel times his yield, or 80 bushels times 60 cents, which gives us a figure of $48 per acre times the 20 acres diverted gives us a total of $960.

Now in adding the total compensatory payment of $1,152 and the total diversion payment of $960, we get a figure of $2,112, divided by the 20 acres diverted or a cost of $105.50 per acre to keep the land idle.

Over and above this fabulous payment, the farmer would be eligible to receive price support on his total production of corn on the 80 acres at a $1.02 per bushel.

This whole proposition of a compensatory payment is nothing more than enactment of the discredited Brannan plan of a number of years ago, and I certainly have to be unalterably opposed to it.

Mr. COOLEY. How much would that be under the 1958 act?

Mr. MICHEL. I cannot advise the gentleman precisely, but it certainly would not come anywhere near these figures.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, the distinguished ranking minority member of the Agriculture Committee has suggested that we should scrap all we have done this year and extend for another year the program which he so bitterly opposed last year. He now says it is a good program and that we should extend it.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Of course, I yield to the gentleman from Iowa.

Mr. HOEVEN. I did vote for extension of the feed grain bill last year.

Mr. POAGE. After the gentleman had done everything he could to kill it, he got himself on record at the last moment by voting for the conference report. I fear the gentleman's support was in the nature of a "deathbed" conversion. But the gentleman was doing all he could to defeat this kind of program last year. He repeatedly told us how bad it was. And, now he is for it.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield further?

Mr. POAGE. Certainly, I yield to my friend from Iowa.

Mr. HOEVEN. Of course, the record will disclose that in the debate the gentleman stated that he was opposed to the original version because it would reduce prices to 17 percent below parity. When that was corrected in conference the gentleman voted for the conference report and spoke in behalf of it and voted for it.

Mr. POAGE. The only point I am making is that the gentleman opposed the program that he now suggests we continue. There is no question about that, is there? He has a right to change his mind, and he has changed his mind. He now recognizes that the program that he then opposed has been a good program and has worked. He has, however, suggested that there were many defects in that program. He proposed to correct them.

On June 21, 1962, one will find at page 10511 of the RECORD where the gentleman from Iowa introduced a proposal which states that the Secretary is authorized and directed to make payments in kind to producers eligible for price support on the 1963 crop of corn, grain sorghums, and barley who elect to take such payments in lieu of price support. For each bushel of corn, grain sorghums, and barley that otherwise would be eligible for price support, payment in kind shall be the equivalent of the following:

For corn, 15 cents a bushel.

There is exactly 3 cents difference between this proposal and the proposal in this bill.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Yes, but let me read a little further. I read further on page 10513 of that same RECORD where the gentleman from Iowa stated—and I am quoting it and I hope you will read it if you have any question about what the gentleman said. Here are his words:

> Another provision of the substitute would make payments in kind to participating feed grain farmers in lieu of price supports, thus preventing wholesale shuffling of the Commodity Credit Corporation inventory.
>
> There is much sentiment for wider participation in a payment-in-kind program, but up to now it has not been used very much.
>
> It seems to me that it makes a lot of sense to get rid of some CCC grain through a payment-in-kind program rather than selling the same for cash.

Now, that is what the gentleman from Iowa asked us to vote for on the 21st day of June. If you do not believe it, read the RECORD. That is his statement, not mine.

So, we went to conference and the gentleman from Iowa pointed out how he felt that the present program allowed the manipulation of the market and how he feared it. Personally, I felt that there was merit to this objection. We did everything we could to take care of the objection by the gentleman from Iowa, even to the point of inserting his language in the conference report. True, there is a 3-cent-per-bushel difference in the amount of payments-in-kind which will be made to feed grain producers but that is not a matter of vital importance; is it? The gentleman did not heretofore, indicate that he considered this matter of any importance.

The gentleman from Iowa now protests. We have given him what he asked for, but he now protests. He does not want anyone else to use the device he so ably advocated just 3 months ago.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield for a question?

Mr. POAGE. I yield for a question, but not for a speech.

Mr. HOEVEN. Well, I think the gentleman should permit me to respond.

Mr. POAGE. If the gentleman has no question, then I will continue explaining the bill.

Mr. HOEVEN. I want to ask a question.

Mr. POAGE. If you have a question, I shall try to answer it.

Mr. HOEVEN. Does the gentleman think it is fair to make that assertion without giving the gentleman from Iowa a chance to rebut it?

Mr. POAGE. The gentleman from Iowa had the floor just as long as the gentleman from Texas has it. I have read the RECORD. The gentleman from Iowa can refer to the RECORD and so can every Member of the House. The gentleman does not question that I have not read the RECORD correctly, does he?

Mr. HOEVEN. I do not question the fact that the gentleman has read the RECORD correctly.

Mr. POAGE. I have read the RECORD. I think the Members of the House understand this situation.

Mr. HOEVEN. Will the gentleman yield for a question?

Mr. POAGE. I am sorry. I do not have but a little time. The gentleman from Iowa further objects to the program. We in good faith made every possible effort to correct the gentleman's objection, and I think that we did in fact meet the objections which he raised prior to this time.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. POAGE. Now, just what have we done? Just what does this conference report do? Whether the gentleman from Iowa now approves what he proposed last June makes little difference. But is what we have done sound? I think it is. The most serious objection raised to the program during the last 2 years has been the fact that it was necessary for the Secretary to sell grain back into the market at or below market price in order to maintain a differential between the cooperator and the noncooperators.

Surely, everybody understands that if you have a voluntary reduction program you cannot maintain that program unless the cooperator gets some advantage because of his cooperation; and if you let the noncooperator get as much as the cooperator gets it is obvious you cannot make such a program work.

So the Secretary had to sell back into the market whenever the price began to climb. We have tried to correct that by saying instead of making the Secretary sell back into the market at less than market price we have provided a floor of $1.02 per bushel below which the Secretary cannot sell. And instead of maintaining a high price on corn in the Southeast and in the Northeast where there is often a feed-grain deficit, we are going to let the effective price support of all corn sink to $1.02 a bushel. Those who want to cooperate, those who want to reduce production, those who want to help us eliminate these burdensome surpluses will be paid the difference between $1.02 and the $1.20 which has been the support price. They will be paid that in grain out of our surplus stocks so that the income of the cooperator will remain at the basis of $1.20, whereas the price that you are going to pay on the east coast and in other feed-deficit areas will be somewhere around $1.02 per bushel.

Let me make this absolutely clear to every man from a feed-deficit area. Under the terms of this bill any man can plant every acre that he owns and every acre he rents, in corn or any other feed grain if he wants to. Nor does he have to limit it to his own use. He can sell it if he finds somebody to buy it. He can plant from fence to fence. Every acre throughout the South can be planted in corn; every acre in New England can be planted in corn. There is no restriction on the planting of feed grain. But if this man wants the Government to assist him, he can cut down on his plantings anywhere from 20 to 50 percent and he will be paid one-half of his normal production on the acres that he takes out of production and he will receive support at $1.02, which is just about the minimum which everybody is probably going to get for their corn. Then he will get paid an additional 18 cents worth of feed grains. He does not get that unless he becomes a cooperator and unless he helps Uncle Sam reduce these burdensome surpluses.

If he wants to be a free agent, if he values the right to plant from fence to fence more than he does his income, he can plant from fence to fence and there is no penalty against him.

I want it understood that this is a completely voluntary feed grains program without an ounce of compulsion on anybody.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. KASTENMEIER. Will the 18-cent-per-bushel payment apply to the farmer who harvests his corn for purposes of silage?

Mr. POAGE. Yes; it will. The bill as agreed upon by the conferees provides that the 18-cent-per-bushel payment in kind shall be made on the acreage of corn planted multiplied by the 1959–60 yield. This means the producer would receive 18 cents per bushel in kind on the number of bushels so determined irrespective whether such corn is harvested for grain or silage or destroyed as a result of drought or other disaster. It is necessary, of course, that the producer reduce his total acreage of feed grains including corn for silage by at least 20 percent in order to be eligible for such payment in kind. In other words, if he cooperates he gets the payment the same as anybody else does. The payment is not dependent on the use of the grain but on the cooperation on the part of the producer in reducing the accumulation of unneeded surplus grain.

Mr. HOEVEN. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, after the bit of confusion that has gone on during this debate, I hope we can get the House back on the track again.

The whole issue is made to appear like we are objecting to the 1963 program for corn and wheat. If you will note from my comments, I do not have any objection to the 1963 program except one portion of it I might add, that in this one way the conference report 1963 program is different from what the gentleman from Iowa introduced as a substitute when the Freeman bill was defeated. The Hoeven substitute provided that the resale of corn or other feed grains which reflected the certificate payments in kind was expected to be 5 percent above the support level plus carrying charges or 5 percent above $1.02. That was not written in the conference report, and that is my objection.

But my major objection to the conference report has nothing to do with the 1963 program, it has to do with the 1964 program, in what is going to happen to the farmer when that program takes effect. Let us see what will happen. What will happen to the feed grain farmers in my area and every other part of the country is that they will have price supports for corn down to 80 cents a bushel, and the Secretary of Agriculture will be able to dump all of the corn and feed grains he has in storage for just a little bit above that price. That is going to be damaging. It is going to be ruinous. It is not only going to hurt the farmers but every businessman in the farming communities.

Will the Secretary do it? Yes. How do we know? I will tell you. Because he has said in the bill he had introduced into the Congress that next year every farmer in the feed grain area will have a chance to vote. Whether he wants regimentation and control or not. The Secretary of Agriculture under one choice tells him where to plant, how much to plant, and what to plant, or else he must choose a program with no price supports, and the Secretary can dump a tremendous amount of surplus on the market. This is ruinous.

For 3 weeks our committee had the CED report before us. Many a tear was shed over the fact that in 5 years 2 million farmers would be driven from the farms because the price supports will be knocked down. The conference report and the administration bill want to do in 1 year what the CED wanted to do in 5 years. I cannot go along with that—a program so detrimental to rural America.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. FORD. Is there an estimate of the cost to the Treasury for the 1964 program?

Mr. QUIE. No; I have not seen any such estimate.

In 1964 the certificate wheat plan goes into effect. No matter how I read it, the farmer comes out with less income. The way I look at it, the farmer's income is just about as low as it can be. If you take the 1964 program, you are going to knock down the wheat farmers' income. The statement of the chairman is going to be correct, when he said in his opening remarks "If agriculture is impoverished the rest of our economy is in danger." If the next Congress by inaction does nothing by 1964, that is what will happen, and I do not want that to happen.

You take this legislation and look at it. The farmers are going to have disastrously low incomes. They just cannot make it on 80-cent corn out in the Midwest. We can get along on $1 corn, but not on 80-cent corn. If 20 percent of your wheat acres have to be idle, after 3 years you get no payment, and on your remaining acres you get the $2 a bushel for 80 percent of your crop, but the remainder would sell for about $1. It is damaging to the farmer.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HARVEY of Indiana. In addition to the load that will be put on the feed grain and livestock farmers, this 1964 provision for wheat will provide for dumping a substantial amount of so-called feed wheat into the market, which will further depress the grain market.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Ohio.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

[Mr. LATTA addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield.

Mr. FINDLEY. Is it not true that under the 1964 provisions the Secretary of Agriculture would acquire the tools he would need to discredit our traditional marketplace system to such an extent that many farmers would be driven to their knees so that they would cry for Government control thereafter?

Mr. QUIE. That evidently is the intent.

Mr. Speaker, in closing I want to say again that the 1963 program is not the issue. Some of you may be against it. I am for it. But the real issue is the 1964 program and the damaging effect that this will have not only on the farmers but on the rest of our economy.

The SPEAKER pro tempore (Mr. BOLLING). The time of the gentleman has expired.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, we are confronted today by two acute and dangerous situations. One is the matter of foreign relations. The other is before us today in this report and deals with the most vital factor in the domestic economy of the Nation. In both of these we approach a crisis.

Each involves the possibility, the potentiality, of unfathomable disaster.

Mr. Speaker, this is not a time for impulsive action. It is not a time for prejudice or partisanship or indecision on either front. But in both, Mr. Speaker, there is one thing that stands out like Mars at perihelion.

We must present a united front at home and abroad. We must consider the wise and prudent and measured counsel of the President of the United States.

The President does not look upon this bill as a panacea. He does not consider it the last word on the farm problem. He does not propose it as permanent legislation. It is at best a stopgap. But, Mr. Speaker, he understands—as we understand—it is our last chance in these closing days of the Congress.

There is every reason to believe that the President will accept this bill at this time if submitted to him in its present form.

Mr. Speaker, on these grounds may I urge prompt and favorable action on the conference report.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. I thank the gentleman for yielding to me.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BREEDING. I yield.

Mr. BASS of Tennessee. Mr. Speaker, I would like to say I am going to vote for this conference report. It is not exactly what I would like to have had but I may refer to it as creeping progress, and I think we are moving in the right direction.

Mr. BREEDING. I thank the gentleman from Tennessee.

Mr. Speaker, conference agreed to provisions generally along the lines of the House bill with respect to a 1963 wheat diversion program with the following changes:

First. The mandatory 10-percent reduction would be eliminated and the provisions with respect to the 15-acre farms would be simplified to provide for diversion below an average 3-year acreage. As in 1962, the 15-acre exemption would be modified to the highest acreage planted in 1959, 1960, or 1961.

Second. Producers would be given the opportunity to divert not less than 20 percent and not more than 50 percent of their allotments with payments at 50 percent of their normal production on the diverted acreage based on the support of $1.82. In addition, producers who do make this voluntary reduction would be entitled to price support at $2 per bushel. Such price support shall be carried out partially in the form of a payment in kind of 18 cents per bushel on the normal production of their 1963 wheat acreage, and the balance in the usual manner through loans and purchase agreements at the national average of $1.82 on their actual production.

All payment-in-kind certificates would be redeemed in wheat valued at not less than the support price to cooperators not participating in the diversion program. Cooperating producers would have three choices: (a) to exchange the certificate for wheat from CCC stocks, (b) to sell the certificate, or (c) to request CCC to market the certificates for them. In the latter case, CCC would assist producers in marketing their certificates, and the Department has indicated CCC would advance producers the full face value of the certificate. The support level for cooperators not participating in the diversion program would be frozen at $1.82.

Third. Producers who agreed to divert a specified acreage would lose price support for 1963 if they failed to carry out their agreements.

Fourth. Increases in the marketing penalty and voting eligibility changes would be omitted, since the referendum has already been held.

Fifth. Crops which could be planted on diverted acres would be limited to those named in the bill.

Sixth. Producers would be required to take appropriate erosion control measures.

WHEAT PROGRAM FOR 1964 AND SUBSEQUENT CROPS

Senate revised the wheat marketing quota program to provide for more effective controls and for an acreage diversion program with payments for the first 3 years of diversion. Provides for a marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as would carry out the price and income objectives of the bill. If marketing quotas were disapproved by producers, the support level would be 50 percent of parity.

Conference agreed to the Senate provisions with respect to wheat with the following changes:

First. They will be made effective beginning with the 1964 crop—the diversion payment program being authorized for 1964 and 1965.

Second. Substitution of wheat and feed grain acreage would be permitted if a feed grain acreage reduction program is in effect, to such extent and under such conditions as the Secretary determines would not adversely affect the overall operations of the wheat and feed grain programs.

Third. The small farm base acreage would be computed on a 3-year adjusted average acreage excluding 1963 instead of the highest 3 years out of 5.

Fourth. The crops to which diverted acreage may be devoted under the diversion payment program would be the same as in the 1963 wheat program.

Fifth. Wheat acreage diverted under the 1962, 1963, 1964, and 1965 diversion programs would be counted as history for allotment purposes.

Sixth. The Secretary would be given authority to provide equitable treatment for producers acting in reliance on erroneous advice from the Department under past, present, and future wheat and feed grain diversion programs.

The bill, as agreed to by the conferees, contemplates that the Department, in operating the wheat marketing certificate program, will give full recognition to the potential impact of this program on the orderly marketing of wheat. In particular, the conferees are concerned with the problems of transition from the present program to the wheat certificate program. It is recognized that new crop wheat will be harvested and moved into the marketing channels prior to the beginning of the marketing year. It is also recognized that stocks of wheat will be held in an inventory position, particularly by millers, as of the beginning of the marketing year. The conferees expect that the Commodity Credit Corporation will take such steps as are necessary to assure that the benefits of the certificate program are extended to producers of wheat who harvest wheat prior to the beginning of the marketing year. The conferees also expect that recognition will be given to stocks of wheat in inventory on the effective date of the program. The mechanics for handling this phase of the program are the responsibility of the Department of Agriculture. The bill contains adequate authority to handle this problem. The Secretary of Agriculture should, however, proceed with extreme caution in this matter. The principal concern of the conferees in that neither windfall profits nor losses should be incurred by holders of wheat on the effective date of the new program, because of inadequate mechanics for handling this problem.

The conferees also believe that the certificates should trade at face value or a preannounced value and that opportunities for speculation in certificates should be eliminated. This can best be accomplished by announcing in advance that CCC will be a free buyer and seller of certificates. This announcement should not preclude the handling of certificates in trade channels but it would eliminate the opportunity to hold certificates for financial gain. It would further eliminate the possibility of the disruption of orderly marketing because of an artificial shortage of certificates.

The conferees, by referring to specific problems, are not inferring that these are the only problems involved in the transition to the wheat certificates pro-

gram or the only possibilities of interference with the orderly marketing processes. They are cited as a caution to the Secretary of Agriculture to use care in developing and administering this program. Conferences with committees of Congress, farm organizations, and the grain trade are essential to the proper development of the mechanics for handling the wheat certificate program.

The conferees also believe that it is important that the necessary mechanics of operation be worked out and announced well in advance of the effective date of the program. Only in this manner can all producers and grain handlers have an opportunity to adjust their operations to the certificate program.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. BREEDING. I yield.

Mr. WAGGONNER. When you speak of payment-in-kind certificates, would it be possible for them to take either payment in kind or convert it into cash through the Commodity Credit Corporation?

Mr. BREEDING. The payment-in-kind certificates would be redeemed. Cooperating producers would have three choices, first, to exchange certificates of wheat from the Commodity Credit stock; in other words, they could take the certificates in there and ask for the wheat and get it, or they could sell this certificate to the elevator man who wanted to take it from him, or he could request the Commodity Credit Corporation to market these certificates for him and could leave the certificates with the Commodity Credit Corporation and take the cash.

Mr. LATTA. Mr. Speaker, will the gentleman yield for a question?

Mr. BREEDING. I yield.

Mr. LATTA. Based on 80-cent corn for 1964, could you tell the House what the price support for noncertificated wheat would be?

Mr. BREEDING. As I understand, it would be in the neighborhood of $1.39 or $1.40.

Mr. LATTA. Based on 80-cent corn?

Mr. BREEDING. The price of wheat is based on the world price of wheat, not on the price of feed corn.

Mr. LATTA. But information has been given to me, and I tried to verify it with the chairman of the subcommittee, that the noncooperators—and I might say that 80 percent of the wheatgrowers in Ohio fall in that category, 15-acre growers—would get this 92-cent payment, rather than the $2.03 as they now do for wheat.

Mr. BREEDING. A lot of wild charges have been made, many of them about this very thing. This is a matter the gentleman from California [Mr. ROOSEVELT] is interested in. It has been claimed that it would add to the price of bread and that the marketing certificate is a bread tax on consumers. The facts are that the price support for wheat in 1962 is $2 per bushel and that it would be the same under the marketing certificate program according to the Department of Agriculture.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman 3 additional minutes and would like to ask him a question.

You will recall the gentleman from Iowa [Mr. HOEVEN] said the farmers are not for this bill. I would like to ask the gentleman from Kansas what the wheat farmers of his area say about the wheat portion of the bill.

Mr. BREEDING. In response to the gentleman's questions I may say that I have a number of telegrams here which I will read and which I think answer his questions:

DODGE CITY, KANS.,
September 18, 1962.

Hon. J. FLOYD BREEDING,
House Office Building, Washington, D.C.:

The wheat section of the conference committee report is the bushel approach advocated by wheat grower organizations for many years. Development of this program has been on a nonpartisan basis by the growers. Past sponsorship, development, and support by the Congressmen has been bipartisan. Wheat producers should be given an opportunity to study, analyze, approve, or reject this program. This program would allow an orderly reduction of excess stocks and provide freedom for the farmer to plan his production schedule so he can have wheat to market in bad crop years, maintaining farm income and protecting our food supply. Certificates would be issued initially for some 950 million bushels of current production. Later this would be increased as Government stocks and inventory stocks in all positions were reduced. Taxpayer costs would be reduced. This is a sound business approach—an attempt to solve the wheat problem. Kansas economy and wheat producers have much to gain by the bushel approach.

ANSON HORNING,
President, Kansas Association of Wheat Growers.

LARNED, KANS.,
September 14, 1962.

Hon. J. FLOYD BREEDING,
House of Representatives, Washington, D.C.:

Kansas Association of Wheat Growers, an organization with a membership of 50,000, strongly urge your support for a long-range bushel management approach to the wheat problem beginning in 1962. Concentrated efforts to confuse the issue and discredit any constructive approach is making it very difficult for the average farmer to analyze the issues, but still he believes the bushel approach will be best over a period of time.

ANSON HORNING,
President, Kansas Association of Wheat Growers.

LARNED, KANS.,
September 14, 1962.

Representative FLOYD BREEDING,
House of Representatives,
Washington, D.C.

DEAR FLOYD: Just returned from a 1,200-mile trip over Kansas. Little wheat sown. Farmers can't wait much longer. It is either give us a program or we are through being kicked around.

The grange certificate wheat program will work if given a chance. Farmers are the lowest in spirits I have seen in 40 years of farm organization work.

Sincerely,

HARRY C. GOLGLAZIER,
Master, Kansas State Grange.

PROSSER, WASH.,
September 14, 1962.

Hon. FLOYD BREEDING,
Old House Office Building,
Washington, D.C.:

Believe many growers will support bill as reported from conference committee. Particularly urge you support certification plan for 1964 wheat crop

GLEN BAYNE,
President, National Wheat Growers Association.

AMARILLO, TEX.,
September 17, 1962.

Congressman FLOYD BREEDING,
House Office Building, Washington, D.C.:

This research, market development, and service organization serving its membership in the grain sorghum feed grain areas of Texas, New Mexico, Oklahoma, and Kansas commends the Senate-House conference committee for its compromise report that when adopted assures the continued progress and prosperity of the Nation's feed grain producers while encouraging expanded marketing and utilization. Our congratulations on your job well done.

GRAIN SORGHUM PRODUCERS ASSOCIATION,
D. G. NELSON,
Executive Vice President.

WASHINGTON, D.C.,
September 19, 1962.

Hon. J. FLOYD BREEDING,
House Office Building, Washington, D.C.:

Rejection of conference report on pending farm bill will result in expiration of emergency programs for wheat and feed grains at year end 1962 and will intensify present turmoil and chaos in rural areas. Conference report leaves much to be desired, most notably absence of vitally needed dairy program, but National Farmers Union believes strongly that the interests of farmers, consumers and taxpayers will best be served by adoption of this conference report. We respectfully urge you to vote "yes."

NATIONAL FARMERS UNION,
GLENN J. TALBOTT,
Acting President.

BOISE, IDAHO,
September 14, 1962.

Congressman FLOYD BREEDING,
Old House Office Building,
Washington, D.C.:

We urge you to give favorable consideration to the compromise proposal including certificate wheat plan.

IDAHO WHEAT COMMISSION,
A. G. CONDIE.

BOISE, IDAHO,
September 14, 1962.

Congressman FLOYD BREEDING,
Old House Office Building,
Washington, D.C.:

We urge to give favorable consideration to the compromise proposal including certificate wheat plan.

IDAHO STATE WHEAT GROWERS ASSOCIATION,
ORVILL THOMPSON, *President.*

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman from North Carolina.

Mr. COOLEY. I take it the Farmers Union likewise is in favor of it?

Mr. BREEDING. Yes. I have a wire in my hand here to that effect.

Mr. COOLEY. The National Grange?

Mr. BREEDING. Yes, I have one here from the Kansas State Grange and the National Grange.

Mr. COOLEY. And the wheat farmers are in favor of it?

Mr. BREEDING. The wheat farmers are in favor of it, including the Idaho Wheat Commission and the Feed Grain organization of Amarillo, Tex.

Mr. COOLEY. Then the gentleman would say that the farmers in the wheat growing areas are for this bill?

Mr. BREEDING. Yes. The conference report would continue a voluntary acreage diversion program for wheat in 1963, and would establish a permanent wheat program for 1964 and later years.

There is a long history of support by wheat growers for some kind of a two-price plan for wheat. This type of program originated in the 1920's, and was discussed again in the 1950's. Congress approved the domestic parity plan for wheat in 1956, providing marketing certificates on wheat used for food in this country. It was, however, a part of the bill which was vetoed by the President for reasons not connected with the wheat program itself. At that time, the program was proposed primarily by Congressman Hope, of Kansas, and Senator CARLSON, of Kansas; it had substantial bipartisan support and still does.

So the pending wheat bill is not a new and radical program. It has had the support of farm groups for many years. It would use about the same machinery for limiting wheat production which has been in effect for many years, but would make the formula for determining acreage allotments flexible enough so that the Secretary could adjust the allotments to the needs of the wheat market.

A two-price program for wheat is a logical one because the wheat market can be divided into two main parts—domestic use and exports. This domestic food market for wheat has been almost constant at around 500 million bushels per year for many years. All of the various two-price or certificate plans which have been proposed involved a relatively attractive level of price support for the amount of wheat used as food in the United States.

Since wheat does have several potential outlets, and since it can move into these different end uses at different prices, the two-price system continues to be the most sound approach to the problem of supporting incomes of wheat producers.

The marketing certificates provide the mechanism which makes it possible to distinguish between the amount of wheat to be supported at the higher price and that to be supported at the lower price. Under existing permanent law—including the 55-million-acre national wheat allotment—the Government is committed to supporting the price at a level between 75 and 90 percent of parity for "all the farmer can grow on his acreage allotment."

This means that in a year in which there is a large crop, the Government must acquire a large amount of wheat at a support between 75 and 90 percent of parity or between approximately $1.80 and $2.20 per bushel. Under the marketing certificate program, the Government would provide price support between 65 and 90 percent of parity on a specified number of bushels of wheat—probably about 900 to 950 million bushels in 1964.

Earlier certificate programs did not include marketing certificates for wheat to be exported. The present proposal gives the Secretary discretion to issue wheat marketing certificates on wheat to be used as food in this country plus that portion of the exports on which the Secretary determines marketing certificates should be issued in order to achieve the price and income objectives of the program.

The Secretary of Agriculture has indicated in a letter to the chairman of the Wheat Subcommittee of the House Committee on Agriculture that if the wheat marketing certificate program had been put in effect in 1963, he would have issued marketing certificates to producers for about 925 million bushels. This means, in effect, that he would provide a favorable level of price support on 925 million bushels. The remainder of the wheat produced on the national acreage allotment would either be used as feed and seed on the farm, or would be sold by growers for export or for feed at a price related to the world price and the feed value of wheat.

This will not only permit the CCC to reduce its carryover of wheat systematically, but will also reduce the cost of export programs for wheat.

Under the 55-million-acre allotment which is now the permanent law, the Department expects to add 100 to 150 million bushels to the carryover each year. Under the Senate bill, it expects to reduce stocks by around 150 million bushels a year for 2 or 3 more years.

Under the present permanent law, the CCC pays an export subsidy one way or another on every bushel of wheat exported.

Under the pending bill, CCC would pay a subsidy on most export wheat, but not on all of it.

The wheat marketing certificate program would also introduce a new kind of flexibility into the farm operations. There is a provision in the bill which would permit the production of wheat on feed grain allotments or acreages. This wheat would not qualify for marketing certificates, and would be either fed by the farmers, stored, or sold for feed. Wheat produced on feed grain acreage would not be a net addition to the total supply of feed grains, but would be feed grains produced as wheat instead of as grain sorghum or barley. Under this program, therefore, wheatgrowers will have a great deal more flexibility in choosing their crops than they have at the present time. Feed grain producers under the wheat provisions of S. 3225 (H.R. 12391) would also have the option of producing feed grains on their wheat acreage allotment—an option which is now open to any feed grain producer, since there is no mandatory feed grain program in effect.

A lot of wild charges are being made about the wheat program.

First. It has been claimed that it would add to the price of bread and that the marketing certificate is a bread tax on consumers. The facts are that the price support for wheat in 1962 is $2 per bushel and that it would be the same under the marketing certificate program according to the Department of Agriculture. No excuse can be found in the wheat program to raise the price of flour or bread. And it is well known that wheat makes up less than 3 cents of the cost of a 20-cent loaf of bread. The price of wheat would have to go to nearly $3 per bushel before an increase in the price of bread could be linked to the wheat price.

Second. It has been charged "that under the certificate program the Department of Agriculture would pay a subsidy on nearly all exports of wheat." The facts are that at the present time the Department of Agriculture pays a subsidy on every bushel of wheat exported. Under the certificate program the Department has indicated that a small part of the normal production on the national acreage allotment would be marketed by the farmers at or near the world price level. It could be exported, therefore, without any net subsidy cost to the Government.

Third. It has been claimed that the provision which would permit farmers to grow wheat as a feed grain would "flood the feed grain market with cheap wheat."

The facts are that this provision is intended to be used only when some acreage diversion program is in effect for feed grains and that for every acre of wheat grown as feed there would be 1 acre less of sorghum or barley or corn. It is not intended that there would be unlimited production of wheat for feed, but that farmers should have the flexibility to grow wheat as feed in connection with a reasonable feed grain program for 1964.

AN EXAMPLE OF THE 1964 WHEAT MARKETING CERTIFICATE PROGRAM

Here is how the program might work nationally, using one possible method of handling the certificates, and reasonable but assumed price supports and acreage reductions:

(a) Assume total wheat demand to be estimated at 1,250 million bushels.

(b) The Government might decide to reduce stocks by, say, 150 million bushels, with two-thirds of it going into exports, one-third to domestic supplies. This would leave a total market to be filled by farmers by 1,100 million bushels.

(c) At average yields, this would produce an acreage allotment for the 1963 crop of 47 to 48 million acres, including the small farm acreages.

(d) The domestic food market would be about 500 million bushels, 45 percent of production on the allotment. An additional 100 million bushels would be used for feed and seed.

(e) The export market would take about 45 percent of normal production on the acreage allotment—500 million bushels.

(f) The Secretary would issue marketing certificates on about 925 million bushels in the first year. That is, 925 million of the expected production of 1,100 million bushels on the wheat allotment would get price support at $2. One hundred million would go for feed and seed, and farmers would market the remaining 75 million bushels without marketing certificates at or near the world price level, with little or no subsidy.

(g) The feed wheat price would be around $1.30 to $1.40, depending on the

corn program, and domestic food wheat would be around $2 per bushel.

(h) The Government would pay an export subsidy on only slightly less than total exports.

Here is how the program could work on a typical farm, using reasonable but assumed yields. Example:

(a) The farmer's 1961 allotment was 55 acres; his wheat base was 82 acres.

(b) His 1964 allotment becomes about 44 acres. On the 11 acres—a 20-percent reduction—that are retired, he would receive a payment of around $25 per acre. He might be allowed to graze the land in a limited way. If so, he would get a smaller payment.

(c) On his allotted acres, the farmer would be expected to grow 1,100 bushels at average yields. He would get marketing certificates representing 925 bushels which he can market for about $2.05 a bushel, based on a price support around $2 or a total of $1,896. The remainder of the farmers' wheat, 175 bushels, would be worth approximately $1.30 per bushel if corn supports were $1.20, for a value of $228.

(d) The wheat income under this example, plus the diversion payment of $275, give the farmer approximately $2,400. In addition, he would have savings on production costs on the smaller harvested acreage. This is roughly the same as his normal expected return for the 1962 crop with a 10-percent acreage diversion. In 1961 he got around $2,300 from the sale of wheat from 55 acres.

Here is how the farmer would handle it when he took 925 bushels of wheat with marketing certificates to the county elevator to sell and get his money.

He would sell wheat with certificates at the market price—say $2.05—and would get a check for $1,896.

The elevator operator would turn his certificates over to CCC for the face value as announced. The miller would be required to buy certificates for wheat milled for domestic food use, and would generally purchase them from CCC.

Wheat not accompanied by certificates would move in the marketplace at an average price near $1.30 or $1.40, depending upon the support price for corn.

Mr. HOEVEN. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. BELCHER].

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Speaker, at the outset I want to say that for 12 years I have served with the chairman of this committee. I have loved, admired, and respected him, and I have defended his position on many occasions. In all of the 12 years today is the first injustice I have ever received at the hands of my chairman, and I think there is nothing that cuts so deep as an injustice you might get from a friend.

Mr. Speaker, if you are confused at this time, you are in no different position than the conferees were or members of the Committee on Agriculture. We had two members of the Department of Agriculture come into the conference room and try to explain to us how the wheat section of the bill would operate.

After they thoroughly disagreed with each other and the House Members disagreed with each other, Senator ELLENDER disagreed with everybody. Finally Senator ELLENDER chased the Department officials out of the room and the question was never answered.

Mr. Speaker, my time has been limited to about 4 or 5 minutes during which to discuss this bill. I will not have time to discuss any of the provisions of the bill. However, let me say that the telegrams read by the gentleman from Kansas representing the district just north of the district that I represent, heretofore there was only a barbed-wire fence that divided us for many years, but now even the barbed-wire fence is gone. So there is nothing between our two districts. Not a telegram did the gentleman read from my district, and not a single telegram from a wheat farmer of Kansas. He did read some telegrams from some various organizations that are purporting to back this wheat bill.

Mr. Speaker, I just want to say that I do not think there is any danger on the part of the chairman of the committee in giving me this time. I will say that I see no reason why the chairman was afraid to give me a few minutes' additional time on the floor, because I have no illusions whatsoever of convincing one single Member on this side of the aisle to vote against this conference report. He has almost a two-thirds majority. I feel that his conference report is completely safe. I want to say to those Members of the House you do not sit in the easy seats if you happen to represent consumers, and because you, for the first time, are assuming the burden for the subsidies that are paid to wheat farmers. Always before subsidies were paid to wheat farmers out of tax money. In the future subsidies will not be paid to wheat farmers on a tax basis, but from the manufacture and production of wheat products. That tax will be anywhere from 60 cents to $1.08 a bushel. They can say it will not cost your children any more to eat this food than it would before, but I want to say if a miller can pay $1.08 per bushel for a certificate and not pass that on to the people who buy those bread products, that that is one of the neatest tricks of economics you have ever read about.

Gentlemen, those of you who represent consumer districts who feel like the gentleman from California said—that you always like to help the farmers. I know that a number of you represent labor, and I know your laborers feel that the farmers should receive a fair wage.

Mr. Speaker, I can only speak for the wheat farmers of my district, some of the finest wheat farmers in the United States. I think I can tell you that they do not want this wheat program, that the consumers do not want the wheat program, that the taxpayers do not want the wheat program, and that your constituents do not want the wheat program. Let us see who does want the wheat program. I will tell you who wants this program and who wants this bill. The Secretary of Agriculture wants the program. The battle is between the Secretary of Agriculture and the American Farm Bureau. You are caught right in the middle. Maybe you will feel enough party loyalty that you are going to have to support your Secretary of Agriculture. I faced that situation for 8 long years. Many times the viewpoint of the Secretary of Agriculture under my administration differed from the viewpoint of my constituents. When that time arrived, I strung along with my constituents who sent me to Congress. I might also have been practical. Those constituents live in my district, and the Secretary of Agriculture did not. Had he lived in my district, he would have had only one vote.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Speaker, there is much confusion in the House over this report. This is a most important and very complicated conference report. It is very unfortunate that the rules of this body limit the discussion to 1 hour, much too short a time in which to make the details and the situation clear to Members.

My time has been limited to 3 minutes. Conceding that such may be my share of the time, with so many Members desiring to be heard, I approach this very important, complicated, and far-reaching subject with no illusions that I am going to eliminate that confusion. I do think I can bring one point to your attention that might be enlightening and, I hope, effective.

Many weeks ago we had a very controversial piece of legislation here—the so-called omnibus farm bill—which was defeated. We went back to the committee and brought out a piece of legislation which passed the House without any difficulty. And almost the identical bill passed the Senate in the same fashion. Then we went to conference. The subject of compensatory payments was for the first time raised in conference. Such a program was not in either bill passed by either House. Had there been, the debate would have been as heated and as vigorous as it was over the old omnibus bill which finally went down to defeat.

Some say this report does not contain a program of compensatory payments, some say it does. You can be assured that irrespective of the discussion, the contentions and denials and the talk about payments in kind, we now have before us a farm program which definitely contains a program of compensatory payments.

So, when the respective versions of the new bill went to conference, a program of compensatory payments was not included in either and actually was not an issue. Ordinarily it would not have been considered in the conference because it was not included in either the Senate or the House bill. But the parliamentary situation just happened to be such that most any proposal, whether contained in the House or Senate version, could be considered though not germane.

It was never dreamed, at least it was never suggested, that in going to conference a program of compensatory payments would be considered or offered.

So the conferees took the Senate and House versions, which were almost identical in principle, differing slightly and only as to detail, and over which there had been a love feast in both Houses, and tacked on the compensatory payment provision which is fraught with controversy. I repeat, the two bills were similar in principle. The only difference was as to details.

This is an old subject. Time and time again a program of compensatory payments has been rejected by our committee. Only on one occasion has it ever reached the floor of this body. That was a number of years ago and it was resoundingly rejected.

Now, what do we do? We should simply send this report back to conference. If we do the conferees will take it out. Have no doubt about that because this is the one simple issue before us.

Here is the parliamentary situation. I regret that my friend the gentleman from Iowa [Mr. HOEVEN] is going to move that we recommit this with instructions to continue the temporary act. I do not think that is a solution at all. He did not think it was the solution when he and most other members of the committee including myself reported out the bill that we subsequently and so easily passed. My chairman did not feel that a simple extension was the solution. Neither did members of our committee, else we would have brought such to you at that time. It was never even proposed in the committee.

So, if the motion of the gentleman from Iowa [Mr. HOEVEN] is voted down, and if the House votes down the conference report, which I think it should do, the chairman of our committee can then move that the House insist on its disagreements and go back to conference. There and then the House conferees can insist that the highly controversial and explosive compensatory payment factor be dropped from this bill. On so doing, we will then have a bill which agrees in principle with that which our committee recommended and which this House overwhelmingly accepted with hardly a whisper of opposition.

It is with regret that I find myself in disagreement with friends on both sides of the aisle. I feel confident, however, that a majority of the House agrees with my position and my remarks. This report should be returned to the conference committee. I hope you will so vote.

Indeed, no one here—well, I will not say no one—but very few Members understand this controversy. The subject of compensatory payments is one that we did not have when we had the bill before us. It was not before the Senate. With all deference it ought not be here now, especially under circumstances under which time is too limited to explain it.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Speaker, with respect to the in-kind payments contained in this conference report referred to by the gentleman from Mississippi, I would like to say that this is not the first time this House and this Congress agreed to a program of payments to farmers. I refer to the wool program, and here is what was said in the Wool Act and I read from that law:

> If payments are used as a means of price supports—

And so on. That was contained in the act of 1954 applying to wool. I would like to call your attention to the Sugar Act. Here is the provision in that act with respect to payments.

> The Secretary is authorized to make payments on the following conditions—

And so on. Both wool and sugar are deficit crops but the payments are made for the identical purpose as that provided in this conference report—to maintain a reasonable and fair price to the farmer.

So it is nothing new that we have payments here today and provide for 18 cents for the emergency program for 1963, for both feed grains and for wheat. It is applicable for the 1963 programs and the farmer can come in or stay out. It is wholly voluntary.

Mr. Speaker, I want to say this to the Members of the House, that a conference report is never what every one of us would like. I recall a few years ago the distinguished and affable gentleman from North Carolina, the Honorable Cameron Morrison, had this to say about a conference report back in the cloakroom in his day. Morrison said this, "that a conference report is a give-and-take matter, it is a compromise." That statement is absolutely valid. This legislation is a compromise. We do not have everything in here that we would like, but all in all, it is a very good conference report.

Why was it necessary to have a bill in the first place? This is the reason it was necessary for the Committee on Agriculture to spend several months' time writing a farm bill. In 1958 here is what was written into the law with respect to corn and feed grains:

> Price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins.

In 1958 we said also in that act that the level of price supports for any crop of corn shall not be less than 65 percent of parity. The price supports for feed grains were to be determined by the Secretary of Agriculture on the basis of the comparative feed value with corn. That is the reason we had to write a farm bill, because under that law you could grow all the corn and feed grain you wanted to grow and get a price support of 65 percent of parity.

As a result great accumulation of corn and feed grains filled our bins. Program costs have mounted which if not stopped or greatly curbed would gravely affect the whole farm program.

Price supports without keeping supplies in line with demand cannot be justified and should be eliminated.

I hope that the conference report will be agreed to.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, the old canard about raising the cost of living has come before us again. In 1948 wheat was supported at $2.48 a bushel. At that time bread sold for 13 cents per pound. The support price was dropped to $1.82 a bushel and today bread is bringing 23 to 24 cents per pound. During that time the price of bread almost doubled. In other words, the support price on wheat seems to have no relation to what you pay for bread. Actually, the higher the support price has been on wheat the lower the price you pay for bread. Surely, no man can seriously contend, as some of the minority have stated, that this is a tax on bread. This bill will have no effect on the price of bread.

Now, I want you to look at the cost of the suggested programs. Let us get a comparison of the cost of this program and the program which the gentleman from Iowa has suggested. Here on this chart we take this farm, the figures the Farm Bureau sent you. Take the same farm of 100 acres. Use the production figures they used.

Now, let us look at the first chart. We will take the Farm Bureau's figures just as they gave them to us. Here they are:

Basic assumptions

Acres corn base	100
Acres diverted	20
Bushels per acre	75
Support	$1.20
Payment in kind	$0.18
Loan	$1.02

We will accept these figures, although, of course, they are for a farm of far greater productivity and consequently involve far more than average payments, but the important thing is to draw a comparison because what we are doing today is trying to decide between the program which the majority of the conferees have brought you and the program which the gentleman from Iowa proposes under his motion to recommit.

Let us turn to the next chart and see what the benefits to the farmer are. Here is the way it looks:

Benefits to farmer under H.R. 12391

20 acres diverted times 75 bushels per acre divided by 2 equals 750 bushels times $1.20 support equals	$900
80 acres planted times 75 bushels per acre equals 6,000 bushels times 18 cents payment in kind equals	1,080
6,000 bushels times $1.02 loan (or sale) equals	6,120
Total	8,100

You will note that these figures are exactly the same as those presented by the Farm Bureau. The only point the Farm Bureau made was that this is an attractive program for farmers. In a letter of September 14, addressed to Hon. HAROLD D. COOLEY from Mr. John C. Lynn, legislative director of the Farm Bureau, referring to the conference report which is presently before you, he stated:

> In my estimation, no farmer with a corn or feed grain base can afford to stay out of this program.

If we want a voluntary program which will reduce surpluses, it must be one that will attract wide participation. Certainly Mr. Lynn indicates that the conference committee's program will do that. If we want a program which will maintain farm income, Mr. Lynn certainly indicates that we have offered such a program.

Now, let us go a little further. As I said before, the really important thing is how this program which the Conference Committee presents compares with an extension of the 1962 program which the minority urges you to adopt. This chart will show the benefits to the farmer under an extension of the 1962 program. Here is the way it will work out:

Benefits to farmers under extension of 1962 program

20 acres diverted times 75 bushels per acre divided by 2 equals 2,750 bushels times $1.20 support equals	$900
80 acres planted times 75 bushels per acre equals 6,000 bushels times $1.20 support equals	7,200
Total	8,100

You will, of course, readily see that as far as the income of the cooperating farmer is concerned it will work out exactly the same under the conference report and under the proposal of the minority. Of course, this is necessarily so since the support price is the same—$1.20 in either case. The difference is, and it is an important difference to the taxpayer, that under the conference committee's plan, the support on 6,000 bushels of grain is achieved by offering a loan of $1.02—which will in all probability never be used—and a payment of 18 cents per bushel in grain. This gives the farmers the same income that he gets under the proposed extension of the 1962 program, but it doesn't require the Government to put out nearly as much money. An extension of the 1962 program as proposed by the gentleman from Iowa would require the same payment for diverted acres and would then require the Government to lay out some $7,200 in cash as a price support loan on 6,000 bushels of grain.

Now, let us see what each program would cost the Government. The Farm Bureau figures were, I fear, intended to give you the impression that the whole $8,100 income from the 100 acres was going to be a cost to the Government. The Farm Bureau statisticians know better than that and maybe they didn't intend to convey this idea. Maybe they thought everybody was as well informed as they are on these matters. But whether the misconception was accidental or deliberate, I want you to clearly understand that it is a misconception, and I want you to see why it is a misconception.

Let us look at the cost to the Government under the two programs. Here are the costs as they would occur under the conference committee report which we ask you to adopt:

Cost to Government under H.R. 12391

Diversion payment	$900
Payment in kind	1,080
Total	1,980

NOTE.—No loss on loans because, with market at about $1.00 to $1.05 little or no corn would be placed under loan.

I want to emphasize the fact that while the Government guarantees the $1.02 to the cooperator and stands ready to make a loan at that figure, there is no reasonable basis for assuming that any substantial volume of such loans will be made. Certainly, unless the supply of corn becomes far greater than anything we have seen in recent years, the market price is going to be something just under the support price—probably about $1 But if the supply of free corn is reduced, as even the opponents of this program indicate that they expect, then the market price will go somewhere above $1.02.

Indeed, one of the most vigorously presented arguments against the program has been the claim that it would bring many producers into compliance who feed their own corn. Frankly, I think it will, but to the extent that it brings them in, they will be reducing the sum total of surplus grain, and that is exactly what we want. They will, however, simply collect their "in kind" adjustment payment. They will not put their grain in the loan. There will be no cost to the Government except the land diversion payment and the payment in kind.

Now, let us contrast these figures with the cost to the government under an extension of the 1962 program. Here are the figures:

Cost to Government under extension of 1962 program

Diversion payment	$900
Storage for 1 year (6,000 bushels at 13.5 cents)	810
Handling (2.5 cents rail, 4.25 cents truck) (6,000 times 2.5)	150
Administration (6,000 times ½ cent)	30
Interest ($7,200 at 3 percent)	216
Loss on resale ($1.20 minus $1.05) (6,000 at 15 cents)	900
Total	3,006
Saving to Government by adoption of H.R. 12391	1,026

You will note that the diversion payments are, of course, the same—$900 under the hypothetical case that the Farm Bureau took—but you will note that the Farm Bureau has not told you anything about the inevitable storage costs that are involved in this extension program. You will have a minimum of 1 year's storage on 6,000 bushels. Assuming that costs only 13½ cents a bushel, that will add $810 to the Government's costs. You have no such charges under H.R. 12391.

The Government will have to pay for the handling of the so-called in and out charges. They run 2½ cents per bushel if delivered by rail and 4¼ cents if delivered by truck. Taking the rail charges—the lower—we have $150. You have no such charges under the conference committee report.

If we extend the 1962 program and hold the grain in storage, we must pay administrative charges. We figure these at one-half cent per bushel. That is $30 that you do not have to pay under the conference report.

Clearly, if you are going to loan $7,200 on the 6,000 bushels, the Government is going to have to pay interest on this amount. Figured for 1 year at 3 percent, that is $216. The conference plan involves no such expense.

Finally, there is a loss on the resale of the grain on which the Government makes a loan. Remember, the Government loan is $1.20. For the purpose of this calculation we have assumed that the grain will be sold at only a 15-cent loss, or at $1.05 a bushel. Actually, the grain will probably have to be sold at as much as a 20-cent loss. That is about the average of the losses this year, but taking the lower figure this is a $900 loss.

Thus, we have a total of at least $3,006 cost to the Government for maintaining the program on the type of farm the Farm Bureau used for illustrative purposes. This compares with a total cost of only $1,980 to give the same income to the farmer on the same farm under the conference committee's program. This means a saving to the U.S. Government of $1,026 on this one illustrative farm, if we adopt this conference report as compared with the cost that would be involved if we accept the motion by the gentleman from Iowa.

Mr. COOLEY. Will the gentleman point out the payments in kind?

Mr. POAGE. I will be happy to do so. The payments which the Secretary makes under this bill are made in grain which is already in surplus, whereas under the minority's proposal the Secretary loans the entire amount in money which is pretty short and pretty hard to come by these days. Under their plan he gets a warehouse receipt for grain which he doesn't need. He has to wait a year and pay the storage before he can take that grain over. Frankly, that storage is going to cost nearly as much as the "in kind" payments which he makes under the conference report. We are trying to save the Government some money and to use the surplus grain that we have to achieve such a saving.

If you are interested in saving the taxpayers money, you will have to be interested in the conference committee's proposal. If you are interested in reducing the accumulation of unnecesary stocks, you will find it difficult to ignore the proopsals of the conference committee. Finally, if you are interested in a program which is admittedly advantageous to farmers, you cannot brush aside the conference recommendations.

Mr. HOEVEN. Mr. Speaker, I yield the remainder of my time to the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HARVEY of Indiana. I want to associate myself with the great fight that our minority leader has made in behalf of agriculture and I compliment him on his activity.

Mr. HALLECK. I thank my colleague.

Mr. Speaker, I have always felt that the farmer has a right to expect a fair price for his product in the marketplace. I think we should move in that direction. I want to say to you, this conference report completely abandons that very worthy objective. I want to say also that obviously this is the responsibility of the Democratic side of this House of Representatives. I think it has been pretty well demonstrated here that this is the last desperate attempt to write just any kind of a farm bill.

May I say further whether the motion to recommit prevails or the conference report is voted down, that does not mean this is the end of it. We can go on to write good legislation.

Mr. Speaker, the conference report on H.R. 12391 embodies many of the objectionable features of the administration farm bill which the House rejected 215 to 205 just 3 months ago. In fact, this report—signed by the seven majority members of the House-Senate conference and unsigned by the five minority members—gives Secretary of Agriculture Orville L. Freeman not only the authority to impose his supply-management theories on wheat and feed grain producers but also a mandate to invoke the compensatory payment plan—the plan which was urged unsucessfully for so long, in the face of bitter bipartisan opposition by one of his predecessors, former Secretary of Agriculture Charles Brannan.

The conference report sets a dangerous trap for farmers. It promises substantial cash rewards for feed grain and wheat producers who participate in the 1963 programs on a purely voluntary basis. It is the same old bit the spider used in enticing the fly into his parlor. In 1964—and subsequent years—growers of wheat and feed grains would be clubbed into complying with the toughest mandatory production controls they have ever known. The alternative would be to go it virtually alone in the marketplace, without effective price supports.

The wheat and feed grain programs incorporated in the conference report fall far short of achieving either of the two goals which an acceptable farm bill should meet: First, they would not protect farm income; in fact they would inevitably reduce it in 1964 and thereafter; second, these suggested programs would not protect the freedom of farmers to farm—to make their own management decisions; instead they would place farmers in the tightest control straitjacket they have every worn.

Just 2 years ago the candidates of the majority party were campaigning throughout the farm belt on a platform which promised price supports at not less than 90 percent of parity for the basic commodities, including wheat and corn. Today we have before us a conference report, written by the majority, which decrees that price supports for corn—and I quote from the report—shall be set "at such a level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks."

With a billion or more bushels of Government-owned corn overriding the free market, the obvious level of price support designed to prevent CCC from acquiring further corn inventories would be at the low end of the formula—50 percent of parity, or, about 80 cents per bushel. This feed grain price time bomb would not explode until 1964—but explode it would then, with disastrous results to the entire corn-hog-cattle economy of the Midwest. As certainly as night follows day—within the space of a year or two—80-cent corn would be followed by $12 hogs and ruinous prices for cattle, poultry, and eggs. The cash benefits feed grain producers might obtain under the 1963 program could be taken back from them, many times over, in subsequent years, through lower livestock prices. In fact, farmers would be confronted by their own Department of Agriculture with the alternative of accepting harsh and unprecedented mandatory production controls on feed grains after 1963 or an unbearable squeeze on both feed and livestock prices.

Perhaps the most which can be said for the conference report is that it gives farmers 1 year to pack up and get out of agriculture.

The so-called two price wheat program, which the majority would impose in 1964 and thereafter, would adversely affect both the incomes and the opportunities of growers in every section of the country—the Midwest, the Great Plains States, and the Pacific Northwest. It presents an impossible challenge to effective administration, with its intricate and complicated certificate system. No one within the Department of Agriculture has yet explained exactly what would take place from the time a farmer placed a load of wheat on the scales of a country elevator until he received his government-computed payment.

The multiple-price plan incorporated in the conference report is a far cry from the old McNary-Haugen bill or the several domestic parity plans which have been offered in the Congress in more recent years. Apparently no one even pretends to understand fully what the multiple-price plan would do or how it would operate. It would clearly force wheatgrowers to reduce their present production by about 20 percent. As a partial offset to this—and it would be only a partial offset for a limited time—wheat utilized for food purposes domestically, or exported for similar purposes, would bring the producer a price of approximately $1.95 to $2 per bushel.

Wheat sold for feed—in competition with corn and other feed grains—would be supported at a level which would relate it to corn, in terms of feed value. Responsible officials of the U.S. Department of Agriculture advised the conferees that if corn were supported at 80 cents a bushel—or 50 percent of parity—feed wheat would be supported at about 92 cents per bushel. This, of course, is far below the $1.35 to $1.40 figure which growers had been led to believe they would be guaranteed for the 15 to 18 percent of their total production which would be marketed as feed wheat. Moreover, this would mean that wheat producers—under the proposed multiple price plan—would receive an actual "blend," or average, price of perhaps no more than $1.75 or $1.80 per bushel. When you couple a reduction in wheat price supports with the mandatory wheat acreage cut of approximately 20 percent, which would become effective for the 1964 crop, the result can only be a drastic income reduction for the producer.

As I have indicated, the proposed program would work to the detriment of every wheatgrower in America, as well as injuring corn producers who would find themselves in competition with feed wheat. The proposal would fall even more heavily upon the backs of the soft red winter wheat growers in such States as Indiana, Ohio, Illinois, and Missouri. This class of wheat is in such short supply that the Department of Agriculture refuses to make it available for export under Public Law 480. There is little or no soft red winter wheat in Government inventory. It is not in surplus. It is in strong demand year in and year out, both from domestic millers and from importing countries which pay dollars for soft red winter wheat. Yet the conference report before us could require the same 20-percent cutback in the production of soft red winter wheat as would be applied to other wheat classes which are in surplus.

This year, the House Committee on Agriculture has held more extensive hearings on farm legislation than at any time within my memory. I am, therefore, deeply disappointed to discover that so much of what is incorporated in the pending conference report consists of untested approaches and fuzzy program changes which were never considered by the House Committee on Agriculture. The report even includes such tired and discredited ideas as a bobtailed version of the Brannan plan. This is wrapped up in the provision for an 18-cent-a-bushel compensatory payment to corn and wheat growers who elect not to grow specified amounts of these commodities.

It seems to me what we are asked to accept here today—under limited debate and without proper committee consideration—is an even more objectionable farm program than the one which we rejected 3 months ago—a program which has been made less, rather than more, acceptable in conference. We are asked to endorse a program which could lead only to increasingly greater regimentation and control of American agriculture.

If we are to have an effective, an acceptable, a workable farm bill, it should be the product not of 7 Members of Congress, but of all 537 Members. The conference report, in the best interests of American agriculture, should either be rejected flatly by the House or it should be returned to the conferees with instructions to develop a revised program which will give farmers an opportunity

to breathe and to prosper in a climate of freedom.

(Mr. HALLECK asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. AVERY. Mr. Speaker, I opposed the original Freeman farm bill both in the Rules Committee and all through the turbulent debate here in the House on June 19 through June 21. My opposition to that bill was not a result of my prejudice against any and all farm legislation. I supported the very reasonable bill that passed the House on July 19 and accepted in good faith the premise that the House conferees would uphold the position of the House in agreeing to a conference report. We are being asked today to approve a conference report that would write into law permanent legislation even more objectionable than was the original Freeman device. This propositon today reminds me a little of the old cliche of feeding a prisoner a hearty breakfast just before he was to be hanged. In other words, I think there has been a deliberate attempt to bait this bill for 1963 hoping that the House Members and the farmers would not discover what was contained in the bill for the crop years to follow until after it had been written into law.

I cannot understand the reasoning behind the majority conferees in regard to this legislation. Their objection to a simple extension of the present feed grain program was that it was too expensive. They recognized that it had been at least partially effective in reducing our surpluses but maintained that a program should be developed that would not place such a burden on the taxpayers. So what do they do? Instead of bringing back to the House a program that would cost about the same or less money, they are now asking the House to approve a program that will cost twice as much for 1963 as did the program for 1962. I repeat, however, that they must be hoping that farmers are not going to peek under the tent, so to speak, to see what is wrapped up for them in 1964. I repeat that this is a baited bill and should not have the support of any Member representing agriculture nor any Member representing a metropolitan area.

Now, just a few words for those Members who do represent metropolitan areas and must justify any vote for a farm program. If Congress approves this conference report, we are thereby authorizing a production payment formula that has been historically called the Brannan plan. This production payment plan supports the theory that a farmer should be paid a direct subsidy from the Federal Treasury for the commodities that he produces. This is a complete departure from any sound and accepted economic theory. It can only result in a further encroachment by the Federal Government on free enterprise and can ultimately have but one result, that of Government-owned agriculture. If we are to have production payments on agricultural commodities, there is no valid argument why there should not be a production payment on automobiles, appliances, or any other manufactured product that is placed on the market.

Mr. Speaker, this conference report contains a baited program for the farmers, it is baited for the taxpayers, and it can only be baited for America. It should be overwhelmingly defeated today so that it will be abundantly clear that the House is not going to accept this program or any other that does violence to our Nation's agriculture.

Mr. SMITH of Iowa. Mr. Speaker, I rise in support of the conference committee's report on the Food and Agriculture Act of 1962. Although it is not fully satisfactory to me nor to many Members of the House, I recognize that is it impossible to write a bill fully satisfactory to all Members, and it is better than several bills we have voted on in this House. It is far better than returning to the 1958 legislation in 1963. Even though I would have liked to have minor improvements incorporated in it, the bill as reported by the conference committee reflects a reasonable compromise of the conflicting views of the Members of Congress.

Anyone who voted for this bill on July 19 when it went to conference would be consistent to vote "yes" today. As far as feed grains are concerned, this bill still provides for an extension of the 1962 feed grains program, but with certain tax-saving provisions. As for 1964, the provisions are as a practical matter about the same. The level of support for feed grains is the same for 1963 and although the formula is different for 1964, there would be only about 2 cents per bushel difference.

The principal difference is a change in procedure for 1963 which will save cost of administration and permit the market to operate more freely. In the bill when it went to conference was a provision for supporting corn in 1963 at $1.20 per bushel. This corn is bringing closer to $1.02 on the market. Also, the world price is closer to $1.02. Instead of making the producer deliver to the Government to get the $1.20, under this bill he could sell it wherever he pleases and be paid directly the 18-cent difference between market price and support price. This makes more orderly marketing and saves the expense of the Government handling most of the grain; it removes interference with the market while preserving some stability with a low price support. It greatly reduces export subsidies that would result if the domestic market were lifted above the world market. It assures a large and stable supply of grain for export at world market prices for cash and will in this way continue to contribute to reduction of the balance-of-payments problem.

The consumers of this country never had it so good so far as food costs are concerned. All tax money spent for these programs amounts to less than 1 percent of consumers' expenditures. All other expenditures of consumers for food amount to 21 percent of their expenditures. Never in the history of any country, including the United States, has nonfarm consumers' food cost a smaller percentage of their dollars. Even though consumers receive a lot more food today, that food costs even less in relation to other expenditures than it did in 1925.

Automation has hit the farms much faster than it has progressed in the nonfarm industries. Farmers are finding that they can increase production faster than demand increases. An approach tried under the 1958 act of low supports for unlimited production failed. Now, in addition to adjusting production for the present, they must cut production temporarily to reduce the excess supplies accumulated under that 1958 act. To go back to that act would be sure to get us into more trouble. We have had 2 years under a program which has adjusted feed-grain production and provided a market for millions of bushels of Government-owned grain. This bill provides a reasonable extension for 1963 as an alternative to that 1958 act. I do not like the alternative for 1964, but it is almost the same as was in the bill when it passed the House before, and in both instances many of us supported the bill hoping a better program can be developed next year. The 1963 provisions in this bill provide a good foundation upon which to build for a better program for 1964 and thereafter.

It is so near the end of the session that the alternatives as a practical matter are probably to vote for this or to go back to the 1958 act. It is common knowledge that the Senate is not in a mood to adopt at this time a different approach for 1964 than we have in this bill. They did yield and make possible improvements for 1963. Those who want a bill this year would be playing loose and reckless with our agricultural economy to assume that defeat of this bill would result in anything better.

The sale of feed grains at cheap world market prices for cash last year increased export sales by over one-third, which is over 100 million bushels. This means a reduction of over $100 million in dollar credits or gold reserves that left our country. Total cash exports climbed to over $400 million and contributed greatly to reducing the balance-of-payments problem.

This approach assures a continued generous supply of feed for feed deficit areas at a low price, a bountiful supply of raw material for processors, a stable low price for feed for meat production, and an even further decrease in storage costs. It permits a livestock feeder to feed his own grain and still cooperate instead of making him deliver his grain to the CCC and buy grain in order to secure the support price. It should increase participation and make a voluntary program more workable and effective. It should help greatly to reduce the demands for a mandatory program.

This bill is basically like the bill passed July 19 in this House except that the changes in procedure embodied in this compromise will reduce involvement by the Government in the market and reduce administration costs to the tax-

payers by at least $40 million. It will continue a policy of cheap market prices and stable and plentiful supplies for consumers.

After many years of effort, this bill provides for a new approach in wheat price supports. The long-term wheat provisions of this bill will reduce Government costs while protecting producers' incomes and give them more freedom in their farming operations. They were designed to try to avoid interference with feed-grain producers. I hope and believe these provisions will work as expected. I shall watch their operation very closely, however, to see that they do not have an adverse effect on feed-grain growers in the Midwest. Feed-grain growers must in all fairness acknowledge that but for the wheat program, even more land would be in wheat production and raising wheat for livestock feed.

I am particularly happy with title I which provides for a positive voluntary cropland adjustment program for shifting agricultural lands to recreation and other nonfarm uses.

Some newspaper comment by urban writers has been to the effect that this bill is little more than another palliative which will result in "more of the vast commodity surpluses and more billions for price props and storage fees." Nothing could be further from the truth. Wheat stocks at the close of this marketing year will be 225 million bushels below their peak level 2 years ago. They are being reduced, and Government storage and inventory costs are being lowered by the temporary wheat programs authorized last year and again this year. They will be reduced even more rapidly when the long-term wheat provisions become operative in 1964.

VOLUNTARY FEED GRAIN PROGRAM SUCCESSFUL BEYOND EXPECTATIONS

The voluntary feed-grain program which is extended for another year in this legislation is providing even more effective than expected in reducing Government surplus stocks. Feed grain carryover stocks are being reduced 14 percent in the first year of its operation. They increased more than 30 percent in 2 years under the 1958 act which was suspended by this program.

The voluntary feed-grain program has new been in use long enough to provide convincing evidence of its effectiveness and acceptability. When the decision was made last winter to recommend a mandatory program for feed grains after 1962, there was widespread concern that the voluntary program, if continued several years, would become less effective because of a drop in participation and because of increased plantings by nonparticipants. The experience thus far with the 1962 program is reassuring. More producers are participating in the voluntary program in its second year than in the first year. They are also diverting slightly larger feed-grain acreages to conservation uses.

Official Government reports issued in July indicate that the acreage of corn for grain in 1962 is 2 percent smaller than in 1961, and that "farmers planted about 5 million acres less feed grains this year than last, bringing total feed grain acreage down to the lowest level in more than 60 years." These official reports indicate that nonparticipants have not increased plantings and offset the reductions made by participants.

Studies also have been completed which indicate that cooperators in the 1961 program did not increase their fertilizers on feed grains as compared with noncooperators. The record yields in 1961 were largely the result of the most favorable growing weather on record.

Furthermore, investigations at Iowa State University which have just recently been completed indicate that unusually favorable growing weather has pushed yields above the trend average in each of the years since 1957. It now appears that the weather in 1962 will be as favorable in most areas as in 1961, but this unusually favorable weather will not continue indefinitely. We must expect average weather over the next few years.

The voluntary feed grain program has been outstandingly successful in cutting Government surplus stocks in spite of bumper yields in 1961. A Government report issued last month indicates that feed grain stocks will be reduced 12 million tons or 14 percent this year. This is almost twice the reduction in stocks expected when the decision was made to recommend a mandatory feed grains program beginning in 1963.

Feed grain utilization has been higher this year than expected, and the Government report of last month projected the reduction of another 12 milllion tons of surplus Government stocks as a result of the second year of the program. It now appears that in 2 years of unusually favorable weather the voluntary program will achieve a 28-percent reduction in surplus stocks. Its effectiveness should be even greater under average weather conditions.

With the voluntary program extended for another year by the present legislation, we can expect surplus feed grain stocks to be drawn below 50 million tons, or less than a third of a year's supply, at the close of the 1963 marketing year. That will be close to a normal carryover. We need some carryover to protect against consumer shortage, livestock feeder shortages, and to protect against loss of export markets.

VOLUNTARY PROGRAM COSTS LOWER THAN EXPECTED

This greater than expected reduction in surplus stocks is resulting in lower than expected net Government costs for the voluntary program. Although the value of the acreage diversion payments to producers in 1961 was $782 million, the net cost to the Government of making these payments was substantially less. Since the acreage diversion payments were financed by payments-in-kind from the sale of CCC surplus stocks—which otherwise would have no outlet—the greater the net reduction in stocks achieved, the lower the net cost of the programs to the Government. In addition to adjusting supply to meet current demand, we needed the diversion program to get rid of some of the abnormal carryover accumulated in Government warehouses as a result of the 1958 act.

VOLUNTARY FEED GRAIN PROGRAM COSTS LOWER THAN THOSE FOR MANDATORY MARKETING QUOTA PROGRAMS

When the proposed mandatory program was under consideration, I secured and distributed statistics showing the Government costs as a percentage of the value of certain basic crops. They showed that the cost of feed grain programs has been less than the cost of most programs on basic crops. Also, Assistant Secretary Duncan, in a letter published in the June 28 CONGRESSIONAL RECORD, submitted USDA estimates of Government costs of continuing the mandatory marketing quota programs for the year 1963 as a percentage of the value of the crops produced. These estimates compare with those for continuing the voluntary feed grains program under H.R. 12391 are as follows:

Estimated Government cost of 1963 price supports as a percentage of the value of production

Wheat:	
Provisions of H.R. 12391:	
No credit for sales from CCC stocks	33.0
After credit for sales from CCC stocks	15.0
Cotton	11.0
Rice	17.0
Peanuts	13.5
Tobacco	1.0
Feed grains:	
Voluntary program, H.R. 12391:	
No credit for sales from CCC stocks	14.0
After credit for sales from CCC stocks	7.0

The 7-percent figure is the important one because we cannot ignore sales made from Government stocks. That is an important part of the program.

These estimates take into account only the additional costs of continuing price supports for 1963 and omit the storage and handling charges on stocks acquired in earlier years. As compared with feed grain price supports, the mandatory marketing quota programs for wheat, cotton, and rice depend to a much greater extent on subsidized exports at below domestic prices and sales for local currencies under title I of Public Law 480, for their success in stabilizing producers incomes. The Government cost of these activities is higher in relation to the value of the crops produced and incomes protected than the cost of the acreage diversion payments under the voluntary feed grains program.

The value of the feed grains produced each year is from $5.5 to $6 billion—more than the combined value of the wheat, cotton, and rice crops and more than $1 billion greater than the value of the wheat and cotton crops. But feed grain price supports also have stabilized and prevented substantial fluctuation in livestock as well as feed grain prices.

Feed crop, livestock, and livestock product sales exceed $20 billion a year. The net Government cost of feed grain price supports under the voluntary program continued by H.R. 12391 will be

less than 2 percent of the value of these products sold. No other mandatory price-support program, except tobacco, can equal this record of low costs in relation to the value of the incomes stabilized.

Economic projections by the Joint Economic Committee and the land-grant colleges indicate that if feed grain prices and market supplies are stabilized at approximately current levels, incomes of feed grain and livestock producers can be maintained $3.5 to $4 billion higher than if the current program is discontinued and free market forces take over. This represents a great number of city jobs for producers of the articles farmers purchase. Unfortunately, a great deal of misunderstanding exists regarding the costs and accomplishments of the different commodity programs. I want to emphasize the point that the net Government cost of the voluntary feed grain program, authorized in H.R. 12391 for 1963, is estimated at 7 percent of the value of the feed grains produced, and less than 2 percent of the value of feed crops, livestock, and livestock product sales in 1963. This compares with an estimated net cost for the wheat and cotton programs of 15 and 11 percent, respectively, of the value of the crops produced.

LOOKING FORWARD TO NEXT YEAR

We who have a direct interest in the farm problem want to see long-term programs developed which provide reasonable prices in the marketplace, less direct involvement by the Government, less cost to the taxpayers, and stable, plentiful supplies for consumers at reasonable prices.

I am confident that further improvments in the feed grain program and lower Government costs are possible.

STUDY NEEDED OF UTILIZATION OF DIVERTED ACRES FOR PASTURE

Such studies as have come to my attention indicate that if it were necessary to reduce the Government cost of the feed grain program, this might be achieved by permitting the diverted acres to be pastured. Cattle raisers would not be hurt and the livestock industry would benefit from a program which permitted pasturing on the diverted acres as compared with no program at all. If producers were allowed the option of pasturing their diverted acres with a 35- to 40-percent reduction in diversion payments until carryover is down to normal, the annual cost of the program might be reduced $100 million or more.

After carryover is down to normal, acreage allotments on each farm can be increased and acreage not used for feed grain or other crops can be pastured.

I hope that before another program is recommended to Congress the Department of Agriculture and several of our outstanding land-grant colleges will make a thorough study of the economic aspects of permitting diverted feed grain acres to be pastured.

STUDY OF SIMULTANEOUS MARKETING QUOTA REFERENDA NEEDED

As I have pointed out, it is a great mistake to assume that the wheat, cotton, rice, and tobacco marketing quota programs could be applied equally well to feed grains. A successful mandatory feed grain program—if one can be developed—would differ substantially from the wheat and cotton programs. It would have to be a program that takes account of the widely varying interests of feed grain growers who are engaged in livestock production in different sections of the country.

I hope that the Department of Agriculture and the land-grant colleges will continue to study the feasibility and acceptability of various possible permanent feed grain supply management programs. One of the important aspects of any such program is its integration with the price support programs for other farm commodities. I think certain aspects of the 1963 program provided in this conference report provide a good foundation for a permanent program.

Feed grains are now being produced on about 13 million acres in the Mississippi Delta, Plains and Western States where wheat and cotton were growing 10 years ago. Feed grains and livestock today are a supplementary source of income for many wheat, cotton, and tobacco farms on acreages diverted from these cash crops. Where feed grains are of secondary importance to other cash crops, the producers, if voting in separate referendums, may vote in favor of marketing quotas for their cash crops and, a few weeks later, vote against marketing quota controls on their feed grains.

Studies should be made of the feasibility of revising the procedures for holding referendums so that the referendums for all crops are held at the same time. Then each producer could be given the option in the referendum of approving or disapproving programs for all the basic crops in surplus supply grown on his farm. In that way it would not be possible, as at present, for producers of a cash crop and feed grains to approve quotas on the cash crop in which they have a major interest, and disapprove a program on the feed grains which are of major interest to specialized feed grain and livestock producers. Thus far, feed grain producers really haven't had a referendum that gave them a reasonable choice, but we should study in advance the kind of procedures that should be provided if a referendum is held.

IF FARM PROGRAM COSTS MUST BE REDUCED

There is no denying the fact that farm program costs have increased sharply in recent years. Farm program costs need to be kept in a proper perspective, however. Few consumers realize that today they are spending a smaller proportion of their income for food and for farm program costs than they were spending for food alone 10 years ago. Let me repeat, farm program costs plus food costs today are less than food costs alone in earlier years in terms of consumer incomes. In 1925, 25 percent of consumers' expenditures went for food purchases. This percentage changed very little over the next 20 years, after which it began to drop. In 1961, only 21 percent of consumers' expenditures went for food. And food costs plus the per capita tax cost of the farm program equalled only 22 percent of total consumer expenditures. Consumers today get a wider variety of higher quality food including more meats and animal products than 10 years ago, yet spend a smaller proportion of their income for these foods plus taxes for the farm price support programs than for food alone in the earlier years.

It is recognized, however, that budget pressures may dictate further reductions in farm program costs. One of the ways to lower costs might be a mandatory feed grains program to replace the voluntary program, but another alternative would be to limit supports on all crops to those who stay within their feed grain acreage allotment; after carryover is down to normal, increase allotments and thus reduce acreage diversion costs; allow diverted acres to be pastured, and tighten up on other aspects of the voluntary program. This approach together with reduced cost of administration resulting from replacing indirect payments with direct payments as in this bill could serve the interests of producers, taxpayers, processors, consumers, and distributors alike.

Although we from the Midwest do not ask for unusually favorable treatment, we do not want to be discriminated against. If farm program costs must be reduced further, perhaps the fairest way would be to cut costs proportionately on all commodity programs.

Before any particular commodity program is singled out for budget cuts, a comprehensive study should be made of the relative costs of the individual commodity programs as related to the value of the products, and as related to the price and income improvement achieved. If this is done, I am convinced that it will be found that the feed grain program costs are modest in relation to those for the other commodities.

Mr. ANDERSEN of Minnesota. Mr. Speaker, this farm bill, H.R. 12391, is like so many farm bills that have come before the Congress—extremely controversial. We must decide whether it will do more good than harm. In fact, there are some features about this bill that I do not like.

You will recall that, as a Representative from a great farm State, I said the same thing about the original voluntary feed grain program when it first came before the Congress in 1961. However, I voted for that original voluntary feed grain bill, and I was one of four Republicans in the entire House of Representatives to do so. Those four Republican votes gave the margin of victory for the voluntary feed grain program, and I believe we are better off today because of having that program in effect. At least, we did give it an opportunity to be tried.

This bill, while it leaves much to be desired, is the only farm bill that we farmers can hope to have enacted into law this year. Therefore, Mr. Speaker, I will vote for the bill and I hope that my colleagues will do the same.

Mr. JENSEN. Mr. Speaker, up to this minute every Member who has spoken today in support of the conference report on the farm bill, represents the cot-

ton-, tobacco-, rice-, and peanut-producing districts, and every Member who has spoken against the feed grain provision in the bill represents a feed grain producing district which is not a new situation, but as old as the time since the South has controlled the Committees on Agriculture, both in the House and the Senate.

Facts are that after the South got what they wanted for their farmers, they have cared little, and done less, about the problems of our corn hog farmers, and as proof of that statement we need only to look at the records, for example, since feed grain prices have thus been held down. Records prove that hog prices since 1940 have constantly been much lower when the Democrats are in control of Congress than when the Republicans were in control of Congress, and in his conference report on the farm bill, we see again so very plainly that should this bill become law, the price of corn and all feed grains will take a tumble, hence I must oppose the bill in its present form.

I shall support the Hoeven motion to substitute the feed grain section in the bill. The Hoeven substitute provides for a 1-year extension of the present feed grain program.

Mr. Speaker unless the Hoeven motion prevails, I shall vote no on final passage for I cannot, I will not give my support to legislation that could and no doubt would force corn prices down to 80 cents per bushel and possibly less, and which would in turn reduce even the present price of hogs, cattle, sheep, poultry and eggs, for the next 2 years at least, as this bill provides.

In conclusion let me say, as the record so clearly proves that, so long as the South is in the saddle in Congress, the feed grain and livestock producers will surely find themselves in a price-cost squeeze even worse than today.

Mr. STRATTON. Mr. Speaker, it was with some reservation, as I pointed out at the time, that I supported the farm bill, H.R. 12391, when it originally passed the House. I supported it because of the section it contained dealing with dairy products. That section would have made it possible for upstate New York dairy farmers, whose income has been drastically cut as a result of the serious drought earlier this summer, to get some form of financial help, since with production reduced as a result of the drought conditions, they would have been eligible for the bonus payments provided under the section.

In fact, as I mentioned at the time, if this dairy section were not adopted then it seemed clear to me that there would be no other relief forthcoming this year to our hard-pressed upstate New York dairy farmers. It was clear to me that even with the additional threat to the stability of the income of our dairy farmers posed by the recent Supreme Court decision on compensatory milk order payments—a decision I have been fighting hard here to override by appropriate corrective legislation—there would be no help to the income of our dairy farmers. Hence I supported the bill.

Mr. Speaker, I am amazed to find that the conference report before us has now eliminated this key dairy section that could have helped our farmers. Under these circumstances I can no longer support the legislation and I have no alternative but to vote against the conference report, as I shall do.

Mr. KASTENMEIER. Mr. Speaker, I rise to insert herewith a letter to me from the Secretary of Agriculture, dated September 19, 1962, which concurs in the response of the gentleman from Texas [Mr. POAGE] to a question I propounded earlier in this debate. The letter and the remarks of the gentleman from Texas [Mr. POAGE] are heartening news to Wisconsin dairy farmers.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 19, 1962.

Hon. ROBERT W. KASTENMEIER,
House of Representatives.

DEAR MR. KASTENMEIER: This is in reply to your request for information regarding the effect on Wisconsin producers of feed grain legislation proposed by the conference committee.

Although feed grain producers benefited materially from the 1961 and 1962 programs, those who feed their crop would benefit even more under the program proposed by the committee. As you know, most Wisconsin grain producers feed the grain they produce.

These producers, under the 1961–62 feed grain programs, were not able to take full advantage of the higher price supports furnished farmers by this administration, since support was provided in the form of loans on grain production. Very little grain was placed under loan in Wisconsin. Of the approximately 120 million bushels of corn produced in 1961 by Wisconsin farmers, only 2.6 million bushels were placed under loan.

On the other hand, the proposed 1963 program would enable each participating producer to obtain 18 cents a bushel for the normal production of his corn acreage, whether harvested for grain or otherwise. The total amount of payment the producers in your district would be eligible to receive would amount to almost $6 million on an estimated normal production of 33 million bushels. With full participation in the State of Wisconsin, payments would be as high as $30 million, on an estimated normal production of about 170 million bushels on the acreage remaining after the 20-percent reduction. In addition, diversion payments would be made on diverted acreage, as was the case under the 1961–62 programs.

This would mean substantially more farm income for these families than was obtained under previous programs—and a total income far in excess of what they could expect if no legislation is passed and we return to the Benson programs of the 1950's.

In addition to cutting the income of your farm constituents, the failure of this bill to pass would result in increasing costs to taxpayers, in increasing Government stocks, and in wiping out gains made by the 1961–62 programs provided by the Congress, which spectacularly reduced surpluses and raised farm income.

Market prices for feed, under the proposed legislation, would be approximately the same as those which prevailed during the last 2 years.

Passage of this bill is vital to the continued economic health of your constituents and to the interests of taxpayers, consumers, and farmers throughout the Nation.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. DOLE. Mr. Speaker, there has been a great deal of speculation in the past week as to what the price of wheat will be in 1964 under the certificate plan proposed in the conference report. I contend it will be 92 cents a bushel. Here is why.

Section 325 of the conference report contains an amendment to the Agricultural Act of 1949, as amended, which states as follows:

(2) if marketing quotas are in effect for wheat, price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

In other words the 1964 price support of noncertificate wheat is tied to the price support for corn and other feed grains, wheat's relative feeding value in relation to the feed grains, and world wheat prices.

It is of utmost importance then what the 1964 support for corn will be if we are to get any idea of what the 1964 support for wheat will be.

The 1964 corn supports will be set under the formula set forth in section 305 of the conference report which states that the 1964 corn support will be from 50 to 90 percent of parity "as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

The conference report does not change existing law which relates oats, rye, barley, and grain sorghum supports to corn.

Now I do not think there is any argument about the legislative intent of these words, "not result in increasing Commodity Credit Corporation stocks." They are specifically tailored to make the Secretary set the 1964 corn support at the floor of 50 percent of parity. Since full parity on corn is now $1.60 per bushel, 50 percent is only 80 cents a bushel.

Therefore, with corn at only 80 cents a bushel the 1964 noncertificate wheat support would be based on 80-cent corn.

During the conference, Department of Agriculture experts told the conferees that at 80 cents a bushel for corn, wheat's relative value would be 92 cents a bushel. I agree with that analysis.

Now, there has up to this point been a great deal of misunderstanding about the noncertificate wheat support. Many people still think that it will be around $1.40 per bushel.

The reason for this view, I feel, is that when the original administration farm proposals were sent to Congress, they included a mandatory corn and feed grain program which anticipated a support price for corn of around $1.30 per bushel.

With corn at $1.30 per bushel it was perfectly logical that wheat could be $1.40 based on relative feeding value, the corn support, and world prices.

Congress, however, altered the results of this formula drastically when it rejected the feed grain control bill. Now that the conferees have legislated 80-cent corn for 1964 there cannot be $1.40 noncertificate wheat under the formula set forth in the bill. It will be only 92 cents a bushel the way the conference report reads.

Look at it this way, if noncertificate wheat which as we all know is supposed

to go into feed channels for livestock were $1.40 per bushel, who in the world would feed it with corn available at 80 cents a bushel?

Conversely if corn were raised to $1.30 per bushel in order to maintain the proper relation between wheat and corn feed values, how could the Secretary, to say nothing about the Treasury of the United States, justify a price support program for corn at $1.30 per bushel with unlimited production and no controls whatever?

The relation between corn prices and feed wheat prices is fixed, not only by acts of Congress, but mainly by market conditions.

The way the conference report is now, I can see no other result than 92 cent noncertificate wheat in 1964.

This would, of course, be disastrous for the feed grain-livestock economy of our Nation while at the same time giving consumers no benefit at all since the food and export portions of the wheat crop would have to be accompanied by certificates bringing that price to $2 per bushel.

It is unfair to the corn farmer, the wheat farmer, the consumer, and the taxpayer and is but one more reason why this conference report should be rejected.

Mr. OLSEN. Mr. Speaker, we are confronted with two alternatives, as the House votes on the farm bill, H.R. 12391, and our decision may be the most important we shall make in this Congress. Our votes carry a tremendous impact not only upon farmers but also upon the total economy of our country, particularly upon taxpayers.

I vote to reduce farm surpluses, bring down the costs to taxpayers, and continue to improve farm income.

The choice is as simple as that. It would seem to be a very easy choice. But the choice is not easy, because the legislation is opposed violently by people who profit from piled-up surpluses. You no doubt have been told that the bill inaugurates the Brannan plan compensatory payments. Of course, this is not true. The bill continues the payment-in-kind principle which we have used in the last 2 years. We simply use part of the huge surpluses previously accumulated to pay farmers to reduce their surplus production. We say to the corn or wheat farmer that if he will reduce his production he will be paid something in corn or wheat out of Government stores, to make up his loss of income so that he will not be penalized by cooperating in the surplus reducing program. I cannot think of a better use for the surpluses. Is it not better that they be employed to reduce further surpluses, than to remain in warehouses and rot?

Moreover, you are told that the wheat program in the bill is a bread tax. The bill does not raise by 1 cent the price millers pay for wheat. Distortion of fact is part and parcel of a desperate effort by selfish interests to defeat the bill.

I take my stand for responsibility in farm programs, and end to wasteful expenditures on farm surpluses, and for continued improvement in farm income.

I refuse to vote to reopen the floodgates for new avalanches of surplus production of wheat, corn and other feed grains, at a cost of many more billions of dollars to taxpayers. I refuse to reactivate the 1958 act—sponsored by then Secretary Benson—under which the Government actually encouraged surplus of corn by providing attractive price supports on unlimited output. I refuse to bring millions of acres of wheatland back into production, piling up new surpluses. Not only would taxpayers be called upon to spend new billions on new surpluses, but farm income again would be lowered.

Mr. ROBISON. Mr. Speaker, after listening to the arguments of those on opposite sides of this conference report on H.R. 12391, I am reminded of the story of the old lady who used to bake two pies a day, one a mince pie and the other an apple pie, and each having a top crust. In order to identify them she used to cut the initials "T.M." into both crusts, and when asked what that stood for replied that this marked the pies as being " 'Tis mince" on the one hand, and " 'Tain't mince" on the other.

In the same fashion, the proponents of this conference report believe and urge that this is now every bit as good a piece of legislation as the opponents thereof believe and urge it to be bad. And, thus, we find the Secretary of Agriculture in one corner and the American Farm Bureau in the other, with the National Grange somewhere in between, not happy with the result but urging that we must now choose—and I quote—"realistically between the alternatives actually available to us at the moment."

All of us, I am sure, conscientiously try to do just that, but with respect to these alternatives the master of the Grange then goes on to also urge us—and again I quote—"to take careful account of the direction established and of the opportunities for further improving that course in our legislative structure in the future."

Now, Mr. Speaker, I do not wish to see this Congress go home without making some progress toward a solution of our vexing farm problem. However, as the master of the Grange suggested, I have taken account of the direction established by this so-called alternative to no farm bill this year, and it is my considered judgment that it once again directs us toward the full regimentation of the American farmer—a course which I, for one, have not been willing to accept and which I do not believe is in the long-range interest of this Nation.

Under the circumstances, then, I have no alternative but to vote against the conference report, even if that should mean I have thus helped to kill farm legislation this session, as the Secretary of Agriculture has warned me. There are times, Mr. Speaker, when no progress is better than questionable so-called progress, and I believe that this is one of those times.

Mr. FOUNTAIN. Mr. Speaker, it is quite obvious that no one Member has time to discuss fully the pros and cons of this conference report on H.R. 12391.

It cannot be emphasized too much that for too long, from year to year, we have been endeavoring to bring out a farm bill that would do justice to the farmers, the consumers, and the too frequently forgotten taxpayers. We must remember also that this conference report is the best that the House and Senate conferees have been able to agree upon. After listening to debate on farm legislation from year to year, particularly as it relates to wheat, corn, and other feed grains, I am satisfied beyond a shadow of a doubt that no Congress will ever be able to come forth with a piece of farm legislation even reasonably satisfactory to all farmers or to all Members of the Congress. While few of us have had time to examine in detail this report and the full impact expected from its enactment, and while it may leave much to be desired, I am confident that it contains far more good for the farmers of this Nation, the taxpayers, the consumers and all others who may be affected by it than it does evil.

From the standpoint of the taxpayers in particular, the situation is desperate. For too long the Congress has ignored the burden which previous farm legislation has placed upon the taxpayers, and I have in mind in particular the 1958 Benson farm program, as amended, which was in effect on feed grains in 1959 and 1960, and those features of it which the Congress has still be unable to completely eliminate.

The emergency feed grain program enacted more than a year ago, while far from perfect, its extension in 1962, and the 1962 wheat program, compared with the previous Benson programs, have been outstanding success. The 1961 feed grain program alone reduced Government stocks by 400 million bushels of corn and reduced the cost to the taxpayers by over $213 million in storage and interest charges. I think we are justified in concluding that these programs contributed to the net farm income in 1961 of $1 billion more than in any year since 1953.

I understand that a motion will be made to recommit this conference report on H.R. 12391, with instructions which would have the effect of reverting to the 1958 act, as amended, and as sponsored by Secretary Benson.

Our vote on the proposed motion to recommit represents a distinct choice between a reactivation of the Benson program—which will encourage uncontrolled and unlimited production for storage at tremendous cost to the taxpayers—and the program contained in this conference report designed, among other things, to help reduce surplus grain stocks and burdensome storage costs.

If the motion to recommit prevails, the producers of America will again have no alternative except a program calling for price supports without production controls. This kind of program was in effect on feed grains in 1959 and 1960, and it resulted in the largest production of feed grains in all our history. To reactivate this program will reopen the floodgates for new avalanches of surplus production of wheat, corn and other feed grains at a cost of billions more to the taxpayers. Such action also would bring millions of acres of wheatland back into

production, piling up new surpluses. Not only would the taxpayers of America have to spend additional billions on new surpluses, but the farmers' income would again be lowered.

I hope that some day all the Members of this House will find the time to read and study carefully two significant reports adopted unanimously by the Committee on Government Operations. One is House Report No. 2219 of the 2nd Session of the 86th Congress, entitled "Price Support and Production Adjustment Activities." The other is House Report No. 2220 of the same Congress, entitled "Commodity Credit Corporation Grain Storage Activities." Both of these reports were the consummation of an exhaustive study made by the Subcommittee on Inter-Governmental Relations. Those reports deal with much of the subject matter of our debate today.

It cannot be denied that Secretary Benson consistently refused to impose or support effective measures to keep production in line with demand. Under his policies, feed grain production increased from 108 million tons in 1953 to 155 million tons in 1960. The cost of storing and handling surplus grain rose from less than $75 million in fiscal 1952 to more than $500 million in fiscal 1960. Can anyone rightly deny that a major reason for the tremendous increase in storage costs was the increase in inventories resulting from the Benson administration program of price supports with unlimited production? As I have already pointed out, removal of acreage allotments on corn resulted in the two largest crops in all history. Unfortunately, a bill to permit reduction of wheat acreage was vetoed by President Eisenhower.

The clearest example of the failure of the Benson program, which this motion to recommit would revert the country to, is grain sorghum. Grain sorghum production is concentrated in two States—Kansas and Texas. The Benson program of price supports and no production controls was in effect for grain sorghums throughout the Benson tenure in office. As a result, surplus stocks of grain sorghum increased from less than a million hundredweight in 1952 to nearly 270 million hundredweight in 1959. And get this—storage payments to commercial warehousemen for grain sorghum increased from $138,000 in fiscal 1953 to $94 million in fiscal 1960.

Let me also point out that Government inventories of surplus agriculture commodities were valued at $1.1 billion on December 31, 1952. By December 31, 1959, under the Benson program, which the proposed motion to recommit will return us to, these inventories had increased to $7.5 billion in value. In addition, prices received by farmers, which averaged around 100 percent of parity during 1952, dropped under the Benson philosophy to 80 percent of parity, while retail prices paid by consumers increased. Realized net farm income totaled $105 billion during the 7 years from 1946 through 1952. Realized net farm income was less than $85 million during the 7 years from 1953 through 1959—a loss of more than $20 billion.

Constructive legislation passed and considered by the Congress during the previous administration was blocked with vetoes and threats of vetoes, while legislation calling for low price supports and unlimited production was being advocated.

Under Secretary Freeman, and during this administration, an emergency feed grain program was enacted by this Congress and put into effect in 1961, which program, as has already been pointed out, reduced feed grain production more than 400 million bushels—the first substantial reduction since 1953. And as a result Government inventories of grain have declined and storage costs have been substantially reduced.

The choice, therefore, before this House today is very simple. We can reject the motion to recommit and go on to adopt the conference report on H.R. 12391 and continue programs designed to help the farmers, while at the same time reducing Government storage and handling costs to the taxpayers. Such action will be standing for responsibility in farm programs and calling an end to wasteful expenditures on farm surpluses and for continued improvement in the farm income. Or we can approve the motion to recommit and go back to a shameful program which will inevitably result in larger Government grain inventories, a continued expansion of private and possibly Government storage facilities, and greater storage and handling charges.

As I have stated, the conference report does not make me completely happy. It will not make all of my own constituents, farmers, and others, happy, but it is a tremendous step in the proper direction. In view of all I know about the costs of the Benson programs and the billions of dollars of taxpayers' money which has been spend in the past just to store and handle surplus grains, there is only one choice for me, and that is the choice against the motion to recommit, and in favor of the conference report.

Mr. RHODES of Pennsylvania. Mr. Speaker, the provisions of the farm bill contained in this conference report offer the best possible compromise that could be devised to cope with a growing national problem.

While I am not in complete agreement with every part of this bill, I do feel that it is the best possible compromise that we can agree on in this 87th Congress. Defeat of this measure would mean a reversion to the so-called Benson program which would reopen the floodgates for a new avalanche of surpluses in wheat, corn, and other feed grains, and cost our taxpayers additional billions of dollars.

I was especially pleased to notice that measures restricting the amount of grain farmers could grow for their livestock have been significantly eased in the final conference report. This question was of special concern to Pennsylvania farmers.

The purpose of this bill is to increase farm income, lower the costs of farm programs to the taxpayer, and reduce vast Government surpluses.

I have been impressed by the support of the conference report by Hershel D. Newson, master of the National Grange, and J. Collins McSparren, master of the Pennsylvania Grange. Farm organizations of the State and Nation are divided on the issue.

When the original administration bill was before the House of Representatives last July, I supported committee amendments to ease or remove restrictions, meeting objections raised by many Berks County farmers.

When amendments which I helped to have approved were adopted by the House, I felt obligated to support the amended bill at that time.

Mr. AVERY. Mr. Speaker, to those of us representing the Middle West, it appears there is a conspiracy, conscious or unconscious, to discredit all phases of the wheat-producing industry. There appear to be several reasons for this development, most of them from outside of the industry, and largely from people who do not understand the industry nor the problems related to it.

It is understandable that the general public would develop some resentment against the stocks of wheat that are presently within our warehouses. They are almost daily reminded of these stocks and usually with an accompanying criticism of the cost of retaining such a sizable inventory. I will come back to this point a little later.

Probably a more dramatic criticism of the industry has developed because of the recent scandals involving the Department of Agriculture and now America's most famous farmer, Billie Sol Estes. I have not been able to read every word of testimony taken by the House Committee on Government Operations and the special McClellan investigating committee, but the press coverage clearly indicates the irregularities and fraud connected with the Estes empire did not involve the grain storage segment of his operation. There was an assignment of rental payments to certain of his creditors. This is somewhat unusual, but has never been challenged as being unethical or illegal by the many critics of the Department of Agriculture and of Mr. Estes. The average reader or observer, however, is inclined, and understandably so, to draw an unfavorable conclusion from all of the Estes operations; and since there was a warehouse business as a part of the operation, there has been a tendency to condemn the entire wheat-producing industry along with the Estes favors and other unethical practices.

In order to understand the operation of the warehouse industry and how it became intermingled with our Nation's agriculture, it is necessary to review a few historical developments. The vast warehouse industry, of course, is a spawn of Government control and regulation. As long as there were no price supports and a takeover agreement with cooperators, there was no responsibility on the part of the Department of Agriculture or any other agency of the Federal Government to be concerned with grain storage, other than the normal concern

of the Department with all matters relating to farming.

Previous to the price support program, the capacity of the warehouse industry was a matter of judgment within the industry itself. They relied upon historical movements of grain, points of logical concentration, transportation rate differentials, and simple economics as to whether an investment in a terminal warehouse could be justified. After the takeover agreements as a stipulation to price supports became a significant aspect in the production of wheat and feed grains, then of course the Department of Agriculture, through the Commodity Credit Corporation, found it necessary to have such warehouse space available as would accommodate the volume of grain assigned to it by farmers in repayment for the Commodity Credit loans they had taken out of their crops.

In the very early stages of this program, the late 1930's, there was an inclination on the part of the Commodity Credit Corporation to provide its own warehouse space. This subjected the Department of Agriculture to a considerable amount of criticism, and justifiably so. Not only did it represent a further unwarranted intervention of Government into the business community, but it also was construed as unfair competition with existing warehouse space.

There was not a significant amount of Commodity Credit-owned storage until after World War II. After the demand for food, created by virtual absence of agricultural production in Europe during the war, was filled in 1947 and 1948, there began to emerge a need for greater warehouse space to house the production of an agriculture greatly stimulated by the war effort. It should be recalled at this time that there were no controls on agricultural production at all. Quite to the contrary, there was still a chain reaction from the many incentives and augmentations that were offered to agriculture by the Federal Government to provide the necessary food for a war-torn world.

The magnitude of the warehouse industry as we know it today began to appear during the Korean war, in the early 1950's. It was apparent by 1952 that wheat production was reaching a proportion that could not be consumed or longer exported. Since it was an election year, however, Congress was most reluctant to impose any strict production controls that year. The 1953 crop was the first one to really alarm the analysists in the Department of Agriculture and necessitated some immediate planning as to the relationship of the storage industry to agricultural production.

I think most Members will recall at about that time an accelerated depreciation schedule for tax purposes was approved by Congress in order to stimulate private enterprise into quickly providing the necessary supplemental storage. This original authority was passed in 1953 and allowed to expire in 1956. Simultaneously, there was a guarantee by the Federal Government that the warehouses would be fully utilized by the Commodity Credit Corporation on a year-to-year basis. This guarantee was permitted to expire on August 20, 1954.

Since that time, there have been no economic incentives for an expanding warehouse industry, other than the judgment of the individuals who were willing to invest their capital without guarantees as to its utilization. There is one exception to this, in that co-ops are authorized to borrow from a bank of cooperatives at a rate of interest cheaper than the commercial rate.

There has been much written and spoken, particularly on the floor of the House, as to the burdensome surplus of wheat that is owned by the Commodity Credit Corporation. Again, it becomes a matter of definition as to what quantity constitutes a surplus or a reasonable carryover. Previous to the harvest of the 1962 crop, the Commodity Credit Corporation had on hand 1,345 million bushels. This constitutes less than the total disappearance of wheat for the fiscal year of 1962. This disappearance was about equally divided between domestic uses and exports.

It can be logically argued that our exports could be curtailed at any point to preserve this stock of wheat for domestic consumption in the case of a disaster or a poor crop. But under any circumstances, the supply of wheat that has been described as burdensome, costly, unreasonable, and in other disparaging terms, could not supply this country's needs for 2 years.

I am not proposing that a greater stock of wheat should be stored. I am attempting to point out, however, that the supply of wheat in proportion to an established demand is not as disproportionate as has been so frequently alleged. The United States is the only country in the world at this time that has any reserve of wheat stocks. Both Canada and Argentina, our two principal competitors, have diminished their reserves to a minimum that is considered essential for their own stability and security.

The warehouse industry over the country is not without fault. I have, at times, been critical publically of the industry for their pricing policy, but especially in view of the stated cost of storing grain in government-owned bins. In recent years, the annual storage rate has actually declined. The adjustment was certainly in the public interest, as the efficient warehouse operator was still able to realize a reasonable rate of earnings on his investment.

From this point on, which was approximately 1960, the warehouse industry and related associations have worked closely with the Department of Agriculture in improving the sanitary conditions under which grain is stored, as well as to expedite movements at the lowest possible cost to the taxpayer.

It is not the purpose of these remarks to seek any special favors for the warehouse industry, but to point out that in many cases they are businessmen who have risked capital with the expectation of receiving a reasonable return. Only a very few have become financial giants. Some have become successful and others have been failures. As long as there is to be a profit incentive in our business community, this will always be the case. These warehouses are not all multimillion-dollar plants, as has so frequently been inferred. There are many warehouses of modest capacities in some of our Midwestern communities. In many cases, they are owned by cooperative organizations. They serve as a business center for the community, not only to provide warehouse space to farmers in that immediate trade territory, but the same operation also provides a local market for grains produced beyond the need of the farmers in the area. In many cases, it also supplies the basic needs to the farmers as well. In fairness to grain warehousemen, I believe it should be pointed out that grain storage facilities are, for the most part, single purpose structures and as such must be regarded as a high risk investment. Warehousemen could not justify investing in facilities to provide storage space for a large temporary stock of grain while capacity existed for more space than needed for normal crops and carryover unless a better than average return on investment could be expected under favorable conditions.

Some of these warehouses are licensed under Federal authority and some are licensed by a State agency. On the basis of the latest figures that are available, there are approximately 1,109 warehouses in my State of Kansas that are licensed and bonded under State authority. Also in Kansas there are approximately 100 warehouses that are licensed, bonded, and inspected by the Department of Agriculture. It is only natural that the bulk of the warehouse space would be located in the grain-producing States and further at a location within the States that would be most accessible to a railroad connection to a port city or at a location that could be served by water carriers.

Licensed warehouses are further classified as between country elevators and a reconcentration warehouse. The function of the country elevator is pretty well defined by its title. It can perform one or more of three functions. It always provides a cash market for an acceptable quality of grain for the producer, or it may receive and reconsign the grain for storage at a terminal elevator. The terminal elevator is usually one of sizable capacity, some as large as 7 million bushels. The terminal elevator is usually designated as a point of reconcentration, or class 9 by the Department of Agriculture. All grain must pass through a class 9 or reconcentration elevator before it can be officially graded as to weights and standards. In other words, before wheat can be consigned for export or made available to fill an order from a domestic mill, it must have passed through a reconcentration elevator in order to be evaluated according to Government weights and standards that are known and which provide reliable specifications for the grain trade.

From this brief history of the warehouse business and from the recent disclosures of Government warehouse poli-

cies that have been brought to light by virtue of the Billie Sol Estes investigation, I think there are several obvious conclusions as to policy matters in conformity to the public interest.

First, it should continue to be the policy of the Department of Agriculture to keep grain owned by the Commodity Credit Corporation stored as close as possible to the source of production. This has proven to be a practical judgment over the years. There are several reasons for this determination. It can be moved to different ports or terminals to the Great Lakes area or to the Gulf ports, depending upon the circumstances accompanying the sale or other transfer. Since Kansas, Oklahoma, Colorado, Nebraska, and Texas raise most of this grain, it is only logical to conclude that the Government-owned grain should largely be stored in this area rather than to move immediately to a warehouse far removed from the point of production.

A further reason is that it affords considerable savings to the Commodity Credit Corporation—Department of Agriculture—as it can then eventually move in the direction of the ultimate sale. If it is prematurely moved away from the point of production, additional handling charges must be paid by the Commodity Credit Corporation as well as a possible adverse charge on freight.

Under the terms of the Uniform Grain Storage Agreement, the Commodity Credit Corporation cannot move grain directly from country warehouses in Kansas, Nebraska, or Colorado to either country or terminal warehouses in an area outside of the jurisdiction of the Kansas City office, without first having it unloaded at a terminal elevator—code 9 elevator—in the Kansas City commodity area for the purpose of obtaining official weights and grades. This cost the Commodity Credit Corporation money in the way of elevation charges—2½ cents per bushel—plus costs of obtaining weights, grades and proteins.

A further conclusion as to permanent policy to govern the warehousing of Government-owned wheat is that there should not be discrimination between the types of facilities for commercial storage. In other words, as long as a warehouse owner has an acceptable record and provides sufficient bond to store Commodity Credit wheat in flat storage, such construction should not be discriminated against in favor of a silo type of elevator. Some warehouse owners of a silo-type facility have not demonstrated their capacity of keeping grain in resalable condition, and therefore it should not be arbitrarily concluded that flat storage is undesirable merely for the reason that it is of that type.

In conclusion, I would like to state again that there is a mistaken impression that all warehouses are operated by big business, and that they have earned vast fortunes for their owners. For instance, of the approximately 1,100 State-licensed warehouses in Kansas, approximately 150 had a capacity of less than 25,000 bushels. This would be less than the amount of wheat raised by many individual farmers. On the other hand, there are only 85 that have a capacity in excess of 1 million bushels. Approximately 100 have a capacity of 250,000 bushels, which I believe would be less than the average size for a Kansas elevator.

I would like to include a short table which shows on the basis of 3 representative years the increase of storage capacity in the leading grain-producing States. It will be noted from this table that the largest percentage of increase in the last year has been in the State of Texas, not in the heavy producing area of Kansas. Just in the last year, the Texas capacity has increased 20 percent, and the Kansas capacity only 9.8 percent.

Since Kansas produces more wheat than any other State in the Union, I would hope that the increased storage space, if any, would not occur in other States but in the State that is the largest wheat producer.

As I stated in the beginning, the warehouse industry has developed to its present size in a relatively short period of time. The performance of every individual operator has not been all that is expected of a responsible businessman. On the whole, however, I think that these owners have provided a needed facility for the farmer, which in turn serves every consumer in the United States. Despite the cost of storing this vital food, it does remain always available, not only for every consumer in the United States, but for our friends abroad. The burden of the cost of storing our stocks of wheat and feed grains has been grossly exaggerated. In total number of dollars, it appears to be an expensive operation; but when the cost is viewed from the standpoint of those who directly share the benefits, it is little indeed. For instance, the Grain and Feed Dealers National Association has computed the cost to the average family with an income of $8,000 to be 32 cents a month, or less than $4 a year for the storage cost in commercial warehouses. For a family with an average income of $6,000, the same monthly cost would be about 19½ cents.

As we observe the increasing shortage of food in the Iron Curtain countries, the storage capacity that keeps this food always available to us can become one of the greatest potential weapons in our arsenal.

Mr. MAHON. Mr. Speaker, I want the RECORD to show that I have some reservations in regard to the pending measure. I consider the measure as a compromise stop-gap proposal designed to reduce the vast stocks of Government-held surplus grain. I hope the claims are correct that the bill will be helpful to agriculture and cost the Government less than the alternatives that are possible under the circumstances.

The payment-in-kind provision has been compared to the compensatory payment plan. There is some relationship to the compensatory payment plan, but there are very marked differences between the payment in kind from farm surplus stocks proposal and the compensatory payment plan for agriculture as generally understood. I do not believe the direct compensatory payment plan is practical.

All will agree that the measure before us is far from perfect. Yet we hesitate to take no action in the face of huge surpluses now in storage at Government expense. The stop-gap proposal is by no means the final answer to our feed grain problems. I feel that the next Congress will have to take action toward a more satisfactory long-range program.

I know we would all agree that there are no quick and easy answers to our farm problems and there is ample room for honest differences of opinion among farmers and nonfarmers alike. We must continue to strive to improve the situation.

(Mr. BREEDING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BREEDING. Mr. Speaker, in view of the remarks which have been made on the floor today about the effect this proposed wheat certificate program will have on the 15-acre farmer, I believe it is desirable for me to point out the facts in the case to the Members.

The exemption from marketing quota penalty provisions, contained in the present law for these growers planting under 15-acres was first written into the law in 1939. At that time representatives from these so-called 15-acre areas made a strong appeal that these little farmers growing a small patch of wheat should be exempted from quotas in order that they might produce a little feed for their chickens.

From this modest beginning, the 15-acre grower has become one of the principal causes of our present wheat surplus. In 1954 when allotments were first reestablished after the war years, there were approximately 1,200,000 farm operators with wheat history. About 700,000 of these operators were commercial producers and the other 500,000 were those planting 15-acres or less. In spite of a substantial reduction in the total number of farms in the United States brought about by the cost-price squeeze in the past several years, the number of farms with wheat history in 1961 had increased to over 1,800,000 with only about 600,000 commercial producers and more than 1,200,000 so-called 15-acre producers. In other words, over half a million farmers got into the wheat business through the route of this 15-acre exemption.

The effect of this increase in the number of farms planting wheat in excess of the allotment has been progressively worse on the total wheat carryover. In 1954, according to the official figures of the U.S. Department of Agriculture, production of these small farms in excess of the allotment was about 58 million bushels. I want to emphasize that this 58 million bushels of production was in excess of those farmers' fair share of the total production in that year. This excess production increased each year on these 15-acre farms. In 1955 it was 65 million bushels, in 1956 it was 85 million bushels, in 1957 it was 94 million bushels, and in 1958 it was 135 million bushels. Each year since 1958 it has been well over 100 million bushels.

If we had applied the same limitations to these 15-acre farmers when we established allotments that we applied to

every other farmer in the country, our carryover instead of being about 1,400 million bushels, would be only 700 million bushels.

It is also an interesting fact that with the imposition of acreage allotments in 1954 and continuing to the present time, the acreage of wheat in those States containing the bulk of the commercial wheat farms has decreased about 35 percent, but the total acreage in the area east of the Mississippi River where the 15-acre farms are concentrated has remained practically constant since 1939.

Now this bill that we are considering today recognizes that the 15-acre growers have been permitted under the law to exceed their allotment and continue to grow the same amount of wheat whether or not allotments were in effect. We are not proposing to cut these growers back to the acreage that would have been their fair share when allotments were first put into effect. What we are doing is to recognize that these farmers have been growing this quantity of wheat and in effect we are saying, "All right, we forgive you for adding this 700 million bushels to our surplus, but we are asking that you cooperate to the same extent that all other wheat growers are being asked to do, if you want to sell your wheat for food or export."

But even so, we are giving the 15-acre grower the option of making their fair share of the required reduction or of continuing to grow the same amount of wheat they have been growing. The only requirement is that if they don't make the reduction they will not get the guaranteed higher price for their product.

We have tried to be as fair with these 15-acre farmers as we possibly can. We have leaned over backwards to help them maintain their farm income even at the expense of the commercial wheat producer.

It has been said that the required reduction on these 15-acre farms would create a shortage of Soft Red Winter wheat. I think a look at the record for 1962 would prove the fallacy of this statement. In this past year when nearly 40 percent of the wheat acres in the Soft Red Winter wheat area were retired in cooperation with the emergency wheat program, we still had a sufficient production of Soft Red Winter wheat to meet all of our domestic and foreign commitments. Under the proposed plan the reduction certainly would not be any greater than we had in this area on a voluntary basis in 1962.

Mr. COOLEY. Mr. Speaker, I yield the remainder of my time to our majority leader, the gentleman from Oklahoma [Mr. ALBERT].

The SPEAKER. The gentleman from Oklahoma is recognized for 2 minutes.

Mr. ALBERT. Mr. Speaker, the issue here, it seems to me, is not altogether what will happen if we adopt this conference report, but what will happen if we do not adopt this conference report.

If we do not adopt this conference report we are coming back next spring just exactly as we have been coming back every spring since I have been a Member of the House with statutes on the books that are outmoded, that are costly, that are unworkable, that pile up millions and billions of bushels of surplus commodities in our Government warehouses at staggering cost to the taxpayers.

The gentleman from Iowa asked what would be the cost of the programs under this bill. One thing is certain, we know it will be less than the cost of the present wheat program and that it will be less than the cost of the present feed grain program. Under the 1958 act the Government must support the price of feed grains at 65 percent of parity based on unlimited production. We have been growing from 250 million to 300 million bushels more feed grains than we can use. You can figure up the cost of that; it is about $300 million a year to the taxpayers as an initial cost. The same is true of the wheat program. The taxpayer as well as the farmer is interested in this program. We cannot have an effective farm program unless the economics of it with respect to producers, consumers, and taxpayers, and everybody concerned makes sense. I hope the conference report will be adopted.

Mr. COOLEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. HOEVEN. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. HOEVEN. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOEVEN moves to recommit the conference report on the bill, H.R. 12391, to the committee of conference with instructions to the managers on the part of the House:

1. To disagree to the Senate amendment as amended by the committee of conference establishing a certificate wheat program in 1964 and subsequent years as set forth in sections 310 through 325 of the Senate amendment.

2. To disagree to the Senate amendment as amended by the committee of conference establishing a corn and feed grain price support program for 1964 and subsequent years as set forth in section 306 of the Senate amendment.

3. To disagree to sections 310 through 313 of the House bill as amended by the committee of conference establishing a 1963 wheat program.

4. To disagree to sections 301 through 304 of the House bill as amended by the committee of conference establishing a 1963 feed grain program.

5. To disagree to any provisions changing existing law or establishing new programs for wheat and feed grains in 1964 and subsequent years.

6. To agree to such provisions of sections 310 through 313 of the House bill as are appropriate to extend for 1 year a voluntary wheat program consistent with the provisions of the 1962 wheat program set forth in subtitle B of title I of the Agricultural Act of 1961, as amended, and the national marketing quota referendum held pursuant to section 336 of the Agricultural Adjustment Act of 1938, as amended.

7. To agree to such provisions of sections 301 through 304 of the House bill as are appropriate to extend for 1 year without further amendment the 1962 feed grain program set forth in subtitle C of title I of the Agricultural Act of 1961, as amended.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. ABERNETHY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ABERNETHY. Mr. Speaker, is it in order to offer a substitute motion in the form of a simple motion to recommit the conference report?

The SPEAKER. Not after the previous question has been ordered.

Mr. ABERNETHY. Has the previous question been ordered?

The SPEAKER. The previous question has been ordered.

Mr. ABERNETHY. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ABERNETHY. Mr. Speaker, if the motion of the gentleman from Iowa is voted down, would it then be in order for the House conferees to return to conference upon the making of a proper motion?

The SPEAKER. If the motion to recommit is defeated, then the question comes on adoption of the conference report.

Mr. ABERNETHY. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ABERNETHY. If the motion to adopt the conference report is defeated, would it be in order for the conferees to return to conference on an appropriate motion?

The SPEAKER. It would be in order for some Member to offer a motion that the House insist on its position and ask for a further conference.

Mr. ABERNETHY. Could any Member of the House offer that motion?

The SPEAKER. That would depend upon recognition of the Chair.

The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 104, noes 165.

So the motion to recommit was rejected.

The SPEAKER. The question is on the conference report.

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 197, not voting 36, as follows:

[Roll No. 235]

YEAS—202

Abbitt	Boland	Corman
Addabbo	Bolling	Daddario
Albert	Bonner	Daniels
Alexander	Boykin	Davis, John W.
Alford	Brademas	Davis, Tenn.
Andersen, Minn.	Breeding	Dawson
Andrews	Brooks, Tex.	Delaney
Anfuso	Burke, Ky.	Denton
Ashley	Burke, Mass.	Dingell
Ashmore	Byrne, Pa.	Donohue
Aspinall	Cannon	Downing
Bailey	Carey	Doyle
Barrett	Celler	Dulski
Bass, Tenn.	Chelf	Elliott
Bennett, Fla.	Coad	Everett
Blatnik	Cohelan	Evins
Boggs	Cook	Fallon
	Cooley	Farbstein

Fascell	Kornegay	Reuss
Flood	Kowalski	Rhodes, Pa.
Flynt	Landrum	Rivers, S.C.
Forrester	Lane	Roberts, Ala.
Fountain	Lankford	Roberts, Tex.
Friedel	Lennon	Rodino
Gallagher	Lesinski	Rooney
Garmatz	Libonati	Roosevelt
Gary	Loser	Rosenthal
Gathings	McDowell	Rostenkowski
Giaimo	McFall	Roush
Gilbert	McMillan	Rutherford
Gonzalez	Macdonald	Ryan, Mich.
Granahan	Madden	Ryan, N.Y.
Gray	Magnuson	Santangelo
Green, Oreg.	Mahon	Scott
Green, Pa.	Marshall	Selden
Griffiths	Matthews	Shelley
Hagan, Ga.	Miller, Clem	Sheppard
Hansen	Miller,	Sisk
Harding	George P.	Slack
Hardy	Mills	Smith, Iowa
Harrison, Va.	Montoya	Smith, Miss.
Hays	Moorhead, Pa.	Smith, Va.
Healey	Morgan	Steed
Hechler	Morris	Stephens
Hemphill	Morrison	Stubblefield
Henderson	Moss	Sullivan
Holifield	Moulder	Taylor
Holland	Multer	Thomas
Huddleston	Murphy	Thompson, La.
Ichord, Mo.	Natcher	Thompson, N.J.
Inouye	Nedzi	Thompson, Tex.
Jennings	Nix	Thornberry
Joelson	O'Brien, N.Y.	Toll
Johnson, Wis.	O'Hara, Ill.	Trimble
Jones, Ala.	O'Hara, Mich.	Tuck
Jones, Mo.	Olsen	Udall, Morris K.
Karsten	O'Neill	Ullman
Karth	Passman	Vanik
Kastenmeier	Perkins	Walter
Kee	Peterson	Watts
Kelly	Pfost	Weaver
Keogh	Philbin	Whitener
Kilgore	Poage	Wickersham
King, Calif.	Price	Willis
King, Utah	Pucinski	Yates
Kirwan	Purcell	Young
Kitchin	Rains	Zablocki
Kluczynski	Randall	Zelenko

NAYS—197

Abernethy	Devine	Laird
Adair	Dole	Langen
Alger	Dominick	Latta
Anderson, Ill.	Dorn	Lindsay
Arends	Dowdy	Lipscomb
Ashbrook	Durno	McCulloch
Auchincloss	Dwyer	McIntire
Avery	Ellsworth	McVey
Ayres	Feighan	MacGregor
Baker	Fenton	Mack
Baldwin	Findley	Mailliard
Baring	Fisher	Martin, Nebr.
Barry	Fogarty	Mason
Bates	Ford	Mathias
Battin	Frazier	May
Becker	Frelinghuysen	Meader
Beckworth	Fulton	Merrow
Beermann	Garland	Michel
Belcher	Gavin	Miller, N.Y.
Bell	Glenn	Milliken
Bennett, Mich.	Goodell	Minshall
Berry	Goodling	Monagan
Betts	Grant	Moore
Bolton	Griffin	Moorehead,
Bow	Gross	Ohio
Bray	Gubser	Morse
Brewster	Hagen, Calif.	Mosher
Bromwell	Haley	Murray
Broomfield	Hall	Nelsen
Brown	Halleck	Norblad
Broyhill	Halpern	Nygaard
Bruce	Harris	Osmers
Burleson	Harrison, Wyo.	Ostertag
Byrnes, Wis.	Harsha	Pelly
Cahill	Harvey, Ind.	Pike
Casey	Harvey, Mich.	Pillion
Cederberg	Herlong	Pirnie
Chamberlain	Hiestand	Poff
Chenoweth	Hoeven	Quie
Chiperfield	Hoffman, Ill.	Ray
Church	Horan	Reece
Clancy	Hosmer	Reifel
Clark	Jarman	Rhodes, Ariz.
Collier	Jensen	Riehlman
Colmer	Johansen	Robison
Conte	Johnson, Calif.	Rogers, Fla.
Corbett	Jonas	Rogers, Tex.
Cramer	Judd	Roudebush
Cunningham	Kearns	Rousselot
Curtis, Mass.	Keith	St. George
Curtis, Mo.	Kilburn	Saylor
Dague	King, N.Y.	Schadeberg
Dent	Knox	Schenck
Derounian	Kunkel	Scherer
Derwinski	Kyl	Schneebeli
Schweiker	Stafford	Waggonner
Schwengel	Staggers	Wallhauser
Scranton	Stratton	Westland
Seely-Brown	Taber	Wharton
Shipley	Teague, Calif.	Whitten
Short	Teague, Tex.	Widnall
Shriver	Thomson, Wis.	Williams
Sibal	Tupper	Wilson, Ind.
Siler	Utt	Winstead
Smith, Calif.	Van Pelt	Wright
Springer	Van Zandt	Younger

NOT VOTING—36

Bass, N.H.	Hull	Rivers, Alaska
Blitch	Johnson, Md.	Rogers, Colo.
Buckley	McDonough	St. Germain
Curtin	McSween	Saund
Davis,	Martin, Mass.	Sikes
James C.	Moeller	Spence
Diggs	Norrell	Tollefson
Dooley	O'Brien, Ill.	Vinson
Edmondson	O'Konski	Weis
Finnegan	Patman	Whalley
Fino	Pilcher	Wilson, Calif.
Hébert	Powell	
Hoffman, Mich.	Riley	

The Clerk announced the following pairs:

On this vote:

Mr. Hull for, with Mr. Hébert against.

Mr. Moeller for, with Mrs. Riley against.

Mr. Buckley for, with Mr. Martin of Massachusetts against.

Mr. Patman for, with Mrs. Weis against.

Mr. Powell for, with Mr. McDonough against.

Mr. Rivers of Alaska for, with Mr. Hoffman of Michigan against.

Mr. Sikes for, with Mr. Curtin of Pennsylvania against.

Mr. O'Brien of Illinois for, with Mr. Johnson of Maryland against.

Mr. Rogers of Colorado for, with Mr. Wilson of California against.

Mr. Edmondson for, with Mr. Whalley against.

Mr. McSween for, with Mr. Dooley against.

Mr. Diggs for, with Mr. Fino against.

Until further notice:

Mr. St. Germain with Mr. Bass of New Hampshire.

Mr. Pilcher with Mr. O'Konski.

Mr. James C. Davis with Mr. Tollefson.

Mr. MAGNUSON changed his vote from "nay" to "yea."

Mr. HALLECK. Mr. Speaker, Members on the Republican side have not yet been recorded. It seems to me that it would be in order that they be recognized.

The SPEAKER. The Clerk will record the names of the Members who qualify on this vote.

Mr. MERROW changed his vote from "yea" to "nay."

Mr. RUTHERFORD changed his vote from "nay" to "yea."

Mr. PERKINS. Mr. Speaker, how am I recorded?

Mr. HALLECK. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. HALLECK. I make the point of order that Members are asking how they are recorded for obvious purposes of delay.

The SPEAKER. The Chair cannot look into the minds of Members and determine their motives.

Mr. CAREY changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 11151) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes."

The message further announced that the Senate agrees to the amendment of the House of Representatives to the Senate amendment numbered 45 to the above entitled bill.

H.R. 7328, A BILL FOR THE RELIEF OF THE ESTATE OF LOUIS J. SIMPSON, DECEASED—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—(H. DOC. NO. 559)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H.R. 7328, for the relief of the estate of Louis J. Simpson, deceased.

Mr. Simpson, a GS–11 supervisory appraiser at the Veterans' Administration regional office, San Antonio, Tex., retired under disability on September 30, 1958, thereupon drawing a civil service annuity. He was rehired on the following day by the same regional office, on a contractual basis, to perform essentially the same duties as he had while a direct employee. However, his annuity payments were not deducted from the amounts payable under the contracts, as required by section 13(b) of the Civil Service Retirement Act in the case of retired employees who are reemployed by the U.S. Government. These amounts were not deducted by the Veterans' Administration regional office because of a belief that Mr. Simpson was providing services as an independent contractor. The General Accounting Office determined, however, that the contract between Mr. Simpson and the Government established an employer-employee relationship and that his compensation should have been reduced by $2,442.16, the amount of his annuity for the period in question. H.R. 7328 would relieve the estate of Mr. Simpson from the liability to repay the United States this sum.

Since provisions of general law bar receipt of full salary and annuity from the Government at the same time, any departure from this general practice should be clearly distinguishable and justifiable if inequity and discrimination are to be avoided. I find no such distinguishing factors in this case.

Both Mr. Simpson and Mrs. Simpson have died. There are no surviving children. The bill would, therefore, benefit only collateral heirs or legatees.

In all the circumstances, I believe disapproval of the bill is warranted.

JOHN F. KENNEDY.

THE WHITE HOUSE, *September 20, 1962.*

TABLE 3.—*Acreage, production, and gross crop value of selected crops on lands serviced by Bureau of Reclamation projects, 1960*

Crops	Irrigated lands		Production		Gross crop value	
	Acres	Percent of total	Tons	Percent of total	Dollars	Percent of total
Barley	527,497	7.65	731,323	2.205	30,173,497	2.61
Corn	367,277	5.32	785,020	2.367	30,923,101	2.67
Oats	185,470	2.69	165,303	.499	7,491,621	.65
Rice	6,405	.09	11,591	.035	975,020	.08
Rye	2,024	.03	1,640	.005	66,739	.01
Sorghum	107,970	1.56	164,933	.497	6,900,651	.60
Wheat	418,589	6.07	631,128	1.903	34,457,533	2.98
Upland cotton:						
Lint	502,301	7.28	243,616	.735	153,472,134	13.26
Seed			405,016	1.221	20,047,145	1.73
Subtotal, 8 crops	2,117,533	30.69	3,139,570	9.467	284,507,441	24.59
Total, all crops	7,304,021	[1] 105.86	33,162,088	100.000	1,129,816,883	97.61
Less multicropped	556,710	8.07				
Total harvested cropland	6,747,311	97.79				
Cropland not harvested and soilbuilding	152,400	2.21				
Acres irrigated	6,899,711	100.00				
Additional revenues [2]					27,711,810	2.39
Total gross crop value					1,157,528,693	100.00

[1] Exceeds 100 percent due to acres multicropped.
[2] Includes payments received from Federal and commercial agencies.

Source: Report of the Commissioner of the Bureau of Reclamation, 1961.

Mr. MILLER. Mr. President, I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time has been yielded back. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Virginia [Mr. RUSSELL], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Tennessee [Mr. KEFAUVER] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Tennessee [Mr. KEFAUVER] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], and the Senator from California [Mr. KUCHEL] are necessarily absent.

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Vermont would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 13, nays 61, as follows:

[No. 272 Leg.]

YEAS—13

Allott	Hickenlooper	Saltonstall
Boggs	Keating	Tower
Cotton	Miller	Williams, Del.
Dirksen	Prouty	
Douglas	Proxmire	

NAYS—61

Anderson	Hill	Mundt
Bartlett	Holland	Muskie
Bennett	Humphrey	Neuberger
Bible	Jackson	Pastore
Burdick	Javits	Pearson
Byrd, Va.	Johnston	Pell
Byrd, W. Va.	Jordan, N.C.	Randolph
Carlson	Jordan, Idaho	Scott
Carroll	Kerr	Smathers
Case	Long, Hawaii	Smith, Mass.
Church	Long, La.	Smith, Maine
Cooper	Magnuson	Sparkman
Curtis	Mansfield	Stennis
Dodd	McCarthy	Symington
Ellender	McClellan	Talmadge
Engle	McGee	Thurmond
Ervin	McNamara	Yarborough
Fong	Metcalf	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hartke	Morse	
Hayden	Moss	

NOT VOTING—26

Aiken	Eastland	Lausche
Beall	Fulbright	Long, Mo.
Bottum	Goldwater	Morton
Bush	Gore	Murphy
Butler	Gruening	Robertson
Cannon	Hickey	Russell
Capehart	Hruska	Wiley
Chavez	Kefauver	Williams, N.J.
Clark	Kuchel	

So Mr. MILLER's amendment was rejected.

Mr. JACKSON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MORSE. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the third reading of the bill.

The bill (H.R. 11164) was ordered to a third reading and was read the third time.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Madam President, I would like to query the majority leader about the program for tomorrow, and I would like to inquire particularly about the consideration of the conference report on the farm bill.

Mr. MANSFIELD. Madam President, it is contemplated that the Senate will proceed to the consideration of the Baker project bill at the conclusion of consideration of the Quincy project bill. Then it is anticipated that a number of unobjected-to items on the calendar will be passed; that the Senate will meet at 11 o'clock tomorrow morning, as suggested by the Senator from Minnesota [Mr. HUMPHREY]; and that the pending business then, under the unanimous-consent agreement, will be the aquarium bill. We would like to take up then the foreign service buildings measure, and perhaps the school lunch legislation, and one or two other measures, and then go over to Monday.

It had been practically agreed to on this side that the conference report on the farm bill would be taken up Monday, but, on inquiry, I find that Senators on both sides of the aisle will be missing part of Monday because of certain events over which they have no control. What I would like to do now, instead, if the

minority leader and the Senate are willing, as an accommodation to Members of the Senate on both sides, is to schedule the conference report on the farm bill for Tuesday, in the hope that if the Senate should convene at 9 or 10 o'clock on Tuesday morning, it could agree to vote at 1 or 2 o'clock in the afternoon.

Mr. DIRKSEN. Madam President, I am sure that if a time certain could be set for a vote on the conference report we could come to an agreement, but it would have to come later. I assume it would have to be some time around 4 o'clock to accommodate Senators who have an interest in the bill and want to be present.

Mr. MANSFIELD. Four o'clock is a little late. We might make it 3 o'clock, since some interested Senators have to leave and might not be back before then.

Mr. MUNDT. Madam President, if the Senator will yield, I suggest 3 o'clock. Some Senators will have to leave by train or plane.

Mr. DIRKSEN. If there is no objection on the part of Senators who sat in conference, we could set the time for voting at 3 o'clock.

Mr. MANSFIELD. Madam President, I ask unanimous consent—and this is a little out of order, but it has to be done—that the Senate meet at 10 o'clock on Tuesday next, and that it agree to vote on the conference report on the farm bill at not later than 3 o'clock that afternoon.

The PRESIDING OFFICER. Without objection——

Mr. ALLOTT. Madam President, reserving the right to object, I would like to ask if that request could be rephrased so that the vote will take place at 3 o'clock.

Mr. MANSFIELD. I shall be delighted to make it that definite.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. MANSFIELD. I also ask unanimous consent that the usual call of the roll be omitted prior to the vote.

The PRESIDING OFFICER. It is not required on a conference report.

Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. I only suggest that we have an understanding that on the conference report the time be equally divided between the chairman of the committee and the ranking minority member.

Mr. MANSFIELD. That is fair. Madam President, in addition, the time is to be equally divided between the Senator from Louisiana [Mr. ELLENDER] and the Senator from Vermont [Mr. AIKEN], or anyone they designate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on Tuesday September 25, 1962, after the reading of the Journal, the Senate proceed to the consideration of the conference report on H.R. 12391, the farm bill, and that a vote be taken thereon at 3 o'clock, with the time being equally divided and controlled, respectively, by the chairman of the Committee on Agriculture and Forestry and the ranking minority member thereof, or someone designated by them.

QUINCY COLUMBIA BASIN IRRIGATION DISTRICT

The Senate resumed the consideration of the bill (H.R. 11164) to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin irrigation districts, and for other purposes.

Mr. HUMPHREY. Madam President, the third reading of the bill has been had. I ask for final action.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11164) was passed.

Mr. JACKSON. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, Senate bill 3162 is indefinitely postponed.

ORDER OF BUSINESS

Mr. DIRKSEN. Madam President, I tried to ascertain whether there would be any more yea-and-nay votes this evening. My understanding is that there will be one amendment by the distinguished Senator from Colorado [Mr. ALLOTT], but I do not think he will insist on a yea-and-nay vote on it.

Mr. ALLOTT. No; I will not insist on a yea-and-nay vote.

Mr. PASTORE. Madam President, are we to understand that there will be no yea-and-nay votes tonight?

Mr. HUMPHREY. Madam President, let the bill be laid before the Senate first.

BAKER FEDERAL RECLAMATION PROJECT, OREGON

Mr. HUMPHREY. Madam President, I now move that the Senate proceed to the consideration of Calendar No. 1957, H.R. 575.

The PRESIDING OFFICER. The bill now will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 575) to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. I yield to the Senator from Rhode Island. The Senator from Rhode Island wanted to know whether there would be any yea-and-nay votes tonight.

Mr. PASTORE. That is correct.

Mr. HUMPHREY. The Senator from Colorado has informed the Senate that, even though he has an amendment, he will not insist on a yea-and-nay vote. Is that correct?

Mr. ALLOTT. That is correct.

Mr. HUMPHREY. I do not believe there are any other major amendments.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JACKSON. Madam President, I wish to make a brief statement on the pending bill.

The pending bill would authorize the construction and operation of a multipurpose reclamation and flood control project, with fish and wildlife and recreational benefits, in northeastern Oregon known as the Baker Federal reclamation project. Some 18,000 acres of land in the Baker Valley would be irrigated. In addition, the present dangerous situation in the valley with reference to floods on the Powder River, which periodically threaten the city of Baker and the valley, would be brought under control.

The estimated cost of the upper division, Baker project, is $6,168,000. This cost is allocated to the various functions as follows: Irrigation, $4,354,600; flood control, $1,056,400; fish and wildlife, $632,000; and recreation, $125,000.

The payment capacity studies of the Bureau of Reclamation indicate that the irrigators can repay $1,127,500 of the amount allocated to irrigation over a 50-year period following a 10-year development period. The remaining $3,227,100 of the cost allocated to irrigation, but in excess of the irrigators' repayment ability, would be returned to the reclamation fund during the 50-year repayment period from the disposition of power marketed through the McNary Dam.

The committee considered this matter very carefully. The House had lengthy debate on it. The measure passed the House of Representatives by a substantial margin. I trust the Senate will approve the pending bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ALLOTT. Madam President, there seems to be some misunderstanding as to amendments. I do not intend to offer an amendment to the bill. I intend to speak in opposition to the bill.

I have always been a strong believer in the values of Federal reclamation. I have continually cast my vote in support of sound reclamation projects. I believe that these reclamation projects which have been carefully studied and screened by Congress either have repaid, or will in the future repay, to the Federal Treasury many times over the amount of their original cost. The benefits from these projects are both direct and indirect, tangible and intangible.

However, proposals for projects unfortunately do come before Congress from time to time that have not been wisely conceived and thoroughly analyzed and which are not justifiable from a financial or engineering standpoint. It is incumbent upon those of us who support reclamation to be constantly on the alert to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of Sept. 21, 1962
87th-2d, No. 171

CONTENTS

Adjournment.....16,29
Appropriations.....4
Area redevelopment.....23
Buildings.....26
Cotton.....5,32
Drugs.....14
Education.....36
Farm labor.....12,15
Farm program.....3,17,32
Foreign aid.....21,30
Forestry.....20
Household effects.....6
Information.....11
Inspection services.....19
Lands.....9
Legislative program.....15
Library services.....37
Lumber industry.....20,35
Migratory birds.....8
Mining.....9
Perishable commodities....1
Personnel.....6
Public works.....34
Research.....30
Ryukyu Islands.....25
School lunch.....18
Tariffs.....6,7
Taxation.....28
Textiles.....31
Tobacco.....22
Trade fairs.....13,24
Transportation.....15
User charges.....19
Water compacts.....10
Wildlife.....27
Wilderness.....2,33

HIGHLIGHTS: Sen. Mansfield defended ASC committees against recent criticism. Sens. Pearson and Mundt criticized conference report on farm bill. Sen. Humphrey commended USDA on its centennial anniversary. Sen. Neuberger inserted article on Oregon Dunes National Seashore controversy. Sen. Mundt urged aid for lumber industry. Senate passed school lunch fund apportionment bill. Sen. Humphrey expressed concern over House reductions in foreign aid appropriation bill. Sen. Monroney inserted article urging user charges on inspection services at airports. Rep. Dole criticized debate on farm bill conference report. Rep. Saylor criticized committee action on wilderness bill. Rep. Derwinski criticized cotton program.

HOUSE

1. PERISHABLE COMMODITIES. Both Houses agreed to the conference report on S. 1037, to amend the Perishable Agricultural Commodities Act as follows: Clarifies provisions dealing with the eligibility for license, or for employment by licensees, of persons guilty of specified acts and persons affiliated with them; authorizes an increase of license fees from $25 per year to such higher rate not above $50 as may prove necessary; eliminates the Export Apple and Pear Act from the acts administered with license fees received under the Perishable Agricultural Commodities Act, and authorizes appropriations to carry out the Export Apple and Pear Act; regulates the use of trade names by licensees to prevent deception; provides that opportunity for an oral hearing need not be provided in reparation cases unless the amount in dispute exceeds $1,500 (instead of $500); makes it clear that in an appeal from a reparation order bond must be filed within 30 days after entry of the order and provides that the bond shall be in cash, negotiable securities, or the undertaking of a recognized surety company, and defers license suspension in case of appeal until all judicial appeals have ended. This bill will now be sent to the President. pp.

19113, 19199

2. WILDERNESS. Rep. Saylor criticized Rep. Aspinall's defense of the action of th Interior and Insular Affairs Committee on the wilderness bill. pp. 19131-2

3. FARM PROGRAM. Rep. Dole criticized the debate on the conference report on H. R. 12391, the proposed Food and Agriculture Act of 1962, saying, "It is regrettable the Wheat Subcommittee chairman of the House Committee on Agricul- ture would not permit an exchange of questions and answers." pp. 19107-8

4. APPROPRIATIONS. Rep. Cannon inserted a table of appropriation bills, 87th Con- gress, 2nd session, as of Sept. 21, 1962. pp. 19132-3

5. COTTON. Rep. Derwinski criticized the cotton program and urged that "the Gover ment ... get out of the cotton business and restore that commodity to a free market." p. 19127

6. PERSONNEL. By a vote of 324 to 8, agreed to the conference report on H. R. 12180, to extend until July 1, 1964, the existing provisions of law permittin the free importation of personal and household effects brought into the U.S under Government orders. pp. 19108-11

7. TARIFFS. Agreed to the conference report on H. R. 6682, to provide for the exemption of fowling nets from duty. p. 19112

8. MIGRATORY BIRDS. The Merchant Marine and Fisheries Committee reported with amendment S. 3504, to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission (H. Rept. 2453). p. 19144

9. MINING. Conferees were appointed on S. 3451, to provide relief for residentia occupants of unpatented mining claims upon which valuable improvements have been placed. Senate conferees have already been appointed. p. 19126

Agreed to the conference report on H. R. 8134, to effect a statutory with- drawal of certain former Taylor Grazing Act lands near Phoenix, Ariz., from all forms of entry under the public land laws. p. 19127

Agreed to the conference report on H. R. 10566, to provide for the with drawal and orderly disposition of mineral interests in certain public lands i Pima County, Ariz. p. 19127

10. COMPACTS. The Merchant Marine and Fisheries Committee reported without amend- ment S. 3431, to consent to the amendment of the Pacific Marine Fisheries Com pact and to the participation of certain additional States in such compact in accordance with the terms of such amendment (H. Rept. 2454). p. 19144

11. INFORMATION. The Government Operations Committee issued a report pertaining t safeguarding of official information (H. Rept. 2456). p. 19144

12. FARM LABOR. The Rules Committee reported a resolution for the consideration o S. 1123, to amend the Fair Labor Standards Act of 1938, to extend the child labor provisions thereof to certain children employed in agriculture. p. 191

13. TRADE FAIRS. The Merchant Marine and Fisheries Committee reported with amend- ment S. 3389, to promote the foreign commerce of the U.S. through the use of mobile trade fairs (H. Rept. 2463). p. 19144

14. DRUGS. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) with amendment H. R. 11581, to assure the safety, efficacy, and reliability of drugs. p. D879

15. LEGISLATIVE PROGRAM. Rep. Boggs announced that S. 320, to amend the provisions of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State; and S. 1123, to amend the Fair Labor Standards Act of 1938, to extend the child labor provisions thereof to certain children employed in agriculture, will be considered on Tues., and the balance of the week. p. 19126

16. ADJOURNED until Mon., Sept. 24 p. 19143

SENATE

17. FARM PROGRAM. Sen. Mansfield defended the ASC farmer committees against recent criticism "as a result of developments in a few locations of the country," and commended Secretary Freeman "for his untiring efforts to improve the farm programs that are of such vital importance to all of our citizens." pp. 19171-2

Sen. Pearson criticized the conference report on the farm bill, contending that it "combines not only the Freeman-Cochrane theories of acreage limitations and marketing controls, but also invokes the old Brannan compensatory payment plan." Sen. Mundt commended Sen. Pearson's remarks and stated that the bill as reported out of conference "heralds the collapse of the whole price support concept in agriculture." p. 19213.

Sen. Humphrey commended the work of this Department on its centennial anniversary and inserted several commendatory articles. pp. 19247-9

18. SCHOOL LUNCH. Passed as reported H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the school lunch program (pp. 19173-5). As passed the bill amends the National School Lunch Act so as to revise the formula for apportioning cash assistance funds to States to base it on the number of lunches served in the preceding year and a slightly modified assistance need factor (instead of on the number of children aged 5 to 17 and the assistance need factor), provide for a 3-year transition to the new formula (25 percent of the funds being apportioned on the new formula the first year, 50 percent the second year, and 75 percent on the new formula the third year), change the formula for division of State apportionments between public and private schools to base it on the number of lunches served instead of the number of students, and provide for special assistance to certain schools to help them serve free or reduced price lunches.

19. USER CHARGES; INSPECTION SERVICES. Sen. Monroney inserted an article critical of Federal agencies for not paying for space used at airports for inspection services including the quarantine services by this Department. pp. 19177-8

20. FORESTRY. Sen. Neuberger inserted an article, "Dispute Centers on Oregon Dunes - Stabilization Plan Raises Fears of Conservationists," including criticism of the Forest Service for planting beach grass to stabilize sand dunes in areas of the Oregon Coast. pp. 19165-6

Sen. Mundt and others expressed concern over conditions in the domestic timber industry and urged that steps be taken to aid and protect the industry. pp. 19214-20

21. FOREIGN AID. Sen. Humphrey expressed concern over reductions by the House in the foreign aid appropriation bill, appealed to his colleagues "to maintain the program we have initiated, and not to relax one bit," and inserted the Presi-

dent's address to the World Bank and Fund. pp. 19249-51

Sen. Proxmire submitted an amendment intended to be proposed to H. R. 13175, the foreign aid appropriation bill for 1963. p. 19150

Sen. Bush inserted an address by Eugene R. Black discussing the activities of the World Bank in assisting less developed countries. pp. 19154-7

22. TOBACCO. Sen. Neuberger inserted an article commending a CBS television program on the relation of cigarette smoking to lung cancer. p. 19166

23. AREA REDEVELOPMENT. Sen. Mansfield commended the Area Redevelopment program in providing assistance to organized Indian reservation groups to improve their economic conditions. pp. 19172-3

24. TRADE FAIRS. Sen. Dirksen commended the Chicago International Trade Fair and inserted several commendatory articles. pp. 19199-200

25. RYUKYU ISLANDS. Passed as reported H. R. 10937, to increase the authorization for the economic and social development of the Ryukyu Islands. pp. 19204-5

26. BUILDINGS. Began consideration of H. R. 11880, to authorize additional appropriations for the acquisition of sites and buildings in foreign countries for U. S. personnel, including foreign agricultural attaches. p. 19210

27. WILDLIFE. Began consideration of H. J. Res. 489, to provide protection for the golden eagle, but after some discussion the bill was withdrawn for consideration at the request of Sen. Mansfield. pp. 19205-6

28. TAXATION. Passed over, at the request of Sen. Mansfield, H. R. 5260, to continue the suspension of the tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and fatty acids, salts, and combination of mixtures thereof. p. 19207

29. ADJOURNED until Mon., Sept. 24. p. 19256

ITEMS IN APPENDIX

30. FOREIGN AID. Extension of remarks of Sen. Mundt inserting a constituent's letter discussing defects in the foreign aid program and stating that one "serious defect is our neglect of agriculture and, of agricultural research in the countries we desire to help." pp. A6989-90

Various insertions favoring and opposing the reductions made by the House in appropriations for the foreign aid program. pp. A6990, A6993, A7003, A7017

31. TEXTILES. Extension of remarks of Rep. Hemphill inserting an article discussing problems of the textile industry. p. A6997

32. FARM PROGRAM. Extension of remarks of Rep. Hagen favoring the "establishment of lower support levels, which will require only occasional or otherwise reduced regimentation, ... " and inserting a letter opposing a compensatory payment type program for cotton. pp. A7011-2

33. WILDERNESS. Extension of remarks of Rep. Saylor inserting proposed amendments for a substitute wilderness bill as advocated by the Citizens Committee on Natural Resources. pp. A7023-5

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House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 19: 14: *Let the words of my mouth and the meditations of my heart be acceptable in Thy sight, O Lord, my strength and my redeemer.*

Most merciful and gracious God, in this fellowship of prayer with our colleagues and comrades, we are renewing and reaffirming our faith that Thou art our companion and counselor in all the duties and responsibilities of each new day.

As Thou dost look into the chambers and corners of our minds and hearts, Thou seest so much that is bleak and barren, dim and dismal, and which fills us with sorrow and shame.

Grant that Thy spirit of light and loveliness may take complete possession of our inner life, emancipating it from all darkness and lifting it to its own radiant and luminous level.

Endue us with a dynamic that will inspire us to be courageous enough to pursue the true spiritual values and equal to the high vocation of making them regnant in the life of all mankind.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, without amendment, bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes;

H.R. 1304. An act for the relief of Jung Hae;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 5312. An act for the relief of certain additional claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 5320. An act for the relief of Robert Knobbe;

H.R. 6016. An act for the relief of William Thomas Dendy;

H.R. 6998. An act for the relief of Anthony Pirotta;

H.R. 6999. An act for the relief of Henry Massari;

H.R. 7123. An act for the relief of Mrs. Takako Coughlin;

H.R. 7438. An act for the relief of Anna Caporossi Crisconi;

H.R. 7704. An act for the relief of Chyung Sang Bak;

H.R. 8626. An act for the relief of Wilfrid M. Cheshire;

H.R. 9578. An act for the relief of Annie Yasuko Bower;

H.R. 9587. An act for relief of Anthony E. O'Sorio;

H.R. 9603. An act for relief of Lt. Comdr. Joseph P. Mamix;

H.R. 9893. An act for the relief of Tadeusz Sochacki;

H.R. 9995. An act for the relief of Dwight W. Clarahan;

H.R. 10678. An act for the relief of Angelo A. Russo;

H.R. 10720. An act for the relief of Rexford R. Cherryman, of Williamsburg, Va.;

H.R. 12416. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of chestnut extract proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act;

H.J. Res. 730. Joint resolution to authorize the President to proclaim May 15 of each year as Peace Officers Memorial Day and the calendar week of each year during which such May 15 occurs as Police Week; and

H. Con. Res. 509. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7326. An act for the relief of E. La Ree Smoot Carpenter; and

H.R. 12708. An act to increase the jurisdiction of the municipal court of the District of Columbia in civil actions, to change the names of the court, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2949. An act to amend sections 1821 and 1825 of title 28, United States Code, to increase the per diem, mileage, and subsistence allowance of witnesses, and for other purposes;

S. 3227. An act for the relief of Young Wai;

S. 3455. An act for the relief of Melynda Kim Zehr (Chun Yoon Nyu) and Michelle Su Zehr (Lim Myung Im);

S. 3502. An act for the relief of Mrs. Maria Nowakowski Chandler;

S. 3557. An act for the relief of Betty Sandra Fagann; and

S.J. Res. 223. Joint resolution designating the period January 13, 1963, to January 19, 1963, as International Printing Week.

The message also announced that the Senate concurs in the amendment of the House to the amendment of the Senate No. 1 to the bill (H.R. 1960) entitled "An act to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes."

H.R. 12391

(Mr. DOLE asked and was given permission to extend his remarks in the RECORD immediately following the reading of the Journal today.)

Mr. DOLE. Mr. Speaker, on yesterday, September 20, in an effort to clarify important points during debate on the conference report on H.R. 12391, I repeatedly requested recognition from the gentleman from Kansas [Mr. BREEDING] while he had the floor. After requesting my colleague from Kansas to yield five successive times he finally recognized me, but would not answer questions.

It is regrettable the Wheat Subcommittee chairman of the House Committee on Agriculture would not permit an exchange of questions and answers. Wheat producers in Kansas and elsewhere are concerned about certain provisions of the 1964 wheat program as contained in the conference report. It was surprising in reading the printed RECORD of proceedings for September 20 that my colleague the gentleman from Kansas [Mr. BREED-

THE PLIGHT OF THE TIMBER INDUSTRY

Mr. MUNDT. Madam President, I wish to mention something about the plight which confronts the timber industry of America today. Over the past several months we have heard a great deal of discussion by Members of this body about the plight of our various American industries which are in economic difficulties because of imports from foreign producers. Just today the Senate completed consideration of legislation on expansion of the Trade Agreements Act granting broad authorities to the executive branch in negotiations for promoting trade with other countries.

Some time ago, gack on May 15, 16, and 17 of this year we discussed on the floor of the Senate, Madam President, legislation dealing with the amendment to section 204 of the Agriculture Act of 1956. This bill was known as H.R. 10788 to permit and implement the negotiated agreements between this nation and 19 other nations relative to the protection of the cotton and cotton textile industries. At that time I offered an amendment to H.R. 10788 which would have provided that this agreement could not go into effect until such agreements had been negotiated for other designated agriculture products. One of those products is lumber and the timber industry which is in a very depressed condition in the United States today.

I was disappointed that some Senators who come from timber-producing States voted against my amendment at that time to bring timber under the mantle of this type of protection.

I am happy, however, that most Senators who have large timber interests in their areas and who have timber producers in their States, voted in support of my amendment, which would have provided for timber, lumber, and the lumbering industry the identical protection which it was hoped would be provided for textiles by the action which was taken.

I wish I could believe that the bill which the Senate passed this week—the Trade Expansion Act of 1962—contains provisions which will provide for protective measures for this great segment of our agriculture industry. I fear that it does not. I fear that agriculture and my great area of our Nation may be in for some increasingly difficult times because of the action of the Senate.

I have noted with increasing alarm in recent months that the Nation's forest, the people who work in them, the people who are dependent on them, and the communities whose economy stems from their bountious gifts, have expended a great deal of effort in trying to improve the economic status of forest-based enterprises. Last week I was reminded of a statement made by President Kennedy in Salem, Oreg., on September 7, 1960, in which he said to a timber-based community:

> It is time for a fresh and imaginative program to resolve the problem of our Nation's timber industry and in 1961 we are going to put such a program into action.

This was an excellent statement of intention. It is unfortunate that the anticipation of its implementation has been so unrewarding. Here we are in late 1962 and as yet no definitive action which will bring economic relief to the timber industry has been taken in any fashion whatsoever.

Before discussing further the immediate and serious obstacles in the path of a healthy forest economy of our country today I believe it would be most helpful to put in context just how important this activity is to our Nation. Over the years, since the founding of our country, the lumber industry has been the backbone of the forest economy. Lumber has made the most significant contributions to our American way of life of any of the forest products, although nature's gift to us through the forest includes much more than lumber. The list of specific products could be endless; the poles that support our lines of communication across the continent, the books we read, the magazines that supply us with current information and the daily newspapers that keep us so well informed on the many subjects of current interest to you and me, the furniture we sit upon, the cellulose in the garments we wear, the rosins and the resins and the glue and the paint that we depend upon, the pencils that I use to jot down my thoughts on this subject and, if one might use the term, the handles for the tools that torment those who are gardeners on the weekend. And—probably most important of all, the homes that provide shelter for millions of Americans today.

However, I believe I can document the case I advocate today for protection of the great lumber industry of America and it can be most accurately portrayed, if I confine my observations to the lumber manufacturing industry—for in this single basic industry are illustrated all the heartaches and the perils which beset the forest industry as a whole.

The lumber industry is America's oldest industry. The original forests of the United States covered 822 million acres or more than 40 percent of our land area. There obviously is no record of the original volume of timber but it has been estimated as being between 5 and 8 trillion board feet. Vast forests provided lumber for the very first needs of the Virginia and Massachusetts colonists—shelter against the elements and stockades for protection against the hostile savages. Within a few years after the first settlements, sawmills began to appear up and down the Atlantic seaboard. Even before the first reported sawmill was built at Berwick, Maine, in 1631, the settlers in this new land began to clear areas for farms for the sites of their barns and of their homes. Timbers for bridges and roads were hewn from the virgin forests. Frequently, in the colonial days, the objectives of the wood cutter were first to clear the land and only secondarily to obtain fuel and building materials. The lumber industry developed hand in hand with agriculture, furnishing the first crude instruments basic to cultivation of the virgin land. Lumber manufacture was primarily—even as it remains today in large measure—local industry. The lumberman and the pioneering settler were one and the same.

As the centers of population and commerce and industry moved westward, so did the lumber industry. New York timber succeeded the seacoast stands as the center of production. Then to Pennsylvania, along the Susquehanna and Ohio Rivers, and up into Michigan, Wisconsin, and Minnesota and South Dakota. From the Lake States the westward migration of the lumber industry split around the last decade of the 19th century, a part moving into my home State, into the Rocky Mountain area and the Pacific Northwest, but the greater part moving toward the vast virgin stands of the Southern States.

It was inevitable that the early lumber industry was exploitive in character. As fast as land was cut over, settlers moved—clearing, cultivating, and building. The order of the day was for the lumberman to harvest the timber and to get out of the way of the advancing tide of settlers. Present-day critics of the history of the lumber industry give relatively little consideration to the contributions it made to the rapid growth and settlement of America. Forests, even as soil, game, and water, were exploited. Fortunately, trees are a renewable resource. In fact, our forests are America's greatest and only renewable resource. There has been a great awakening to this fact, which began at the turn of this century under the farsighted leadership of men such as Gifford Pinchot and President Theodore Roosevelt. The American lumber industry has played a dominant role in assuring the future of our Nation's timber resources. Economic facts of life have necessitated the replacement of trees as they are cut in order to assure a continued operation. The privately owned forest products industries are in virtually every State of our Union.

We sometimes get a distorted view of an industry because of our lack of closeness to it. The forest industries, operating as they do, in isolated areas suffer more from this distortion perhaps than most industries. This is an industry of very small units. It is probably impossible to count all of the sawmills operating in this country at any given time. However, it is estimated that there may be as many as 65,000 sawmills producing lumber for the multitudinous needs of the American consumer. As distinguished from highly concentrated industries which are the major source of competition to lumber, the index of concentration in the lumber industry is the lowest of any major industry. The three largest lumber companies account for less than 7 percent of the Nation's total lumber product.

The lumber industry is a highly competitive industry. There is strong competition not only between different species of wood and different producing regions, but also between similar operations in the same area. Because of the necessity of operating close to the source of its raw material, segments of the lumber industry are found in virtually every

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of Sept 24, 1962
87th-2d, No. 172

CONTENTS

Agricultural appropriations.....8
Appropriations...3,8,13,29
ASC committees.....1,24
Conservation.....22
Cuba.....18,20
Decentralization.....7
Drugs.....4
Employment.....6
Expenditures.....23
Farm program.....10
Feed grain.....10
Foreign aid.....26
Foreign trade.....20
Forestry.....11,27
Labeling.....28
Legislative proposals...30
Lumber.....2,12,25
Marketing.....28
National parks.....11,27
Patents.....16
Pay increase.....9
Personnel.....6,9
Postal rates.....9
Retirement.....9
Surplus property.....5,19
Trademarks.....15
Transportation.....12
Virgin Islands.....17
Watersheds.....14

HIGHLIGHTS: Senate requested further conference with House on agricultural appropriation bill. Sen. Proxmire criticized conference report on farm bill. Senate committee reported pay bill. Sen. Morse inserted his speech expressing concern over lumber imports. Rep. Norblad criticized lumber imports. Rep. Matthews commended ASC committeemen.

HOUSE

1. ASC COMMITTEES. Rep. Matthews commended the ASC committeemen saying, "Congress should give a general round of applause for America's farmer-elected ASC committeemen--the frontline men of this Nation's great agricultural complex." pp. 19411-2

2. LUMBER. Rep. Norblad criticized the importation of Canadian lumber and urged action to limit such imports. p. 19411

3. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Further conferees were appointed on certain Senate amendments to this bill, H. R. 12711. Senate conferees have already been appointed. p. 19355

4. DRUGS. The Interstate and Foreign Commerce Committee reported on Sept. 22 (during adjournment of the House) with amendment H. R. 11581, the proposed Drug and Factory Inspection Amendments of 1962 (H. Rept. 2464). Received on Sept. 24 a supplemental report on this bill (H. Rept. 2464, pt. 2). p. 19417

5. SURPLUS PROPERTY. Passed as reported H. R. 11378, to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the FCC as educational radio or educational television stations, and public libraries. p. 19403

6. PERSONNEL. Rep. Beckworth inserted correspondence and articles regarding summer employment by Federal agencies in the Washington, D.C. area and urged enactment of legislation to extend the apportionment requirement in the Civil Service Act to temporary summer employment. pp. 19412-5

7. DECENTRALIZATION. The Government Operations Committee approved a report, "Criteria for Decentralizing Federal Activities from the Nation's Capital." p. D884

SENATE

8. AGRICULTURAL APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12648, and insisted on certain amendments in disagreement (p. 19315). Concurred in the House amendment to the Senate amendment to provide that not to exceed $225,000 shall be transferred by the Secretary from other appropriations available to the Department for the expenses of the Office of Internal Audit and Inspection (p. 19315). Insisted on the Senate amendments 1,19,44,47,48,49,50,51,52,53, and 54 (see Digest 168 for a summary of these amendments)(p. 19315). By a vote of 77 to 0, insisted on amendments 2 (relating to research and demonstration on the production and utilization of agricultural products) and 6 (relating to construction of ARS research facilities) (pp. 19315-7). Requested a further conference with the House on the items in disagreement, and conferees were appointed (p. 19317).

9. PERSONNEL; POSTAL RATES. The Post Office and Civil Service Committee reported with amendment H. R. 7927, the Federal pay and postal-rate increase bill (S. Rept. 2120)(p.19262). The "Daily Digest" includes the following statement regarding the bill as reported:

"The bill, as approved by the committee, would provide an estimated $603 million annual additional revenue from postal rate increases, derived fro (1) increased first-class postal rate to 5 cents, (2) increased airmail rate to 8 cents, (3) in second-class mail, three annual 4-percent increases in editorial content, and three annual 10-percent increases in advertising content, and (4) increases in third- and fourth-class mail.

"With regard to Federal employees' pay increases, the bill would (1) provide upon enactment an average of 5.5-percent increase for classified workers and an additional 4.1-percent increase on January 1, 1964, (2) provide upon enactment an average of 8.6-percent increase for postal workers, and an additional 2.6-percent increase on January 1, 1964, and (3) provide upon enactment a 7-percent increase for legislative employees.

" ...

"Also, committee adopted an amendment which would include in the bill the text of S. 2937, to provide increases in civil service retirement annuities." (p. D883)

10. FARM PROGRAM. Sen. Proxmire discussed the farm bill as reported out of conference, expressed reservations over the feed-grain provisions, urged the Secretary "to undertake wide-ranging studies of alternative feed grain programs for the years following 1963," and contended that the bill "would result in a cost twice as high for the taxpayers as the cost would have been under the bill which previously was passed by the Senate." pp. 19324-6

"(e) The Commission shall solicit the cooperation of colleges, universities, and other institutions of higher education in encouraging the study and understanding of the Constitution by suitable recognition through scholarships or otherwise of promising students who display an interest in it.

"(f) The Commission shall solicit the cooperation of, and make its assistance available to, civic, patriotic, and religious organizations undertaking any activities in connection with the anniversary.

"(g) The Commission shall endeavor to promote worldwide understanding of the United States Constitution by encouraging, and if practicable assisting in, student exchange programs and any other means by which citizens of foreign countries may be afforded opportunities to learn about our constitutional processes.

"(h) The Commission is authorized to accept on behalf of the United States such gifts of money or other property as in its judgment may be appropriate to carry out the purposes of this Act, but shall be accountable therefor in the same manner as for appropriated funds or property purchased with appropriated funds.

"PROCLAMATIONS BY THE PRESIDENT

"SEC. 7. The President is hereby authorized and requested to issue proclamations—

"(1) designating September 17, 1962, as Constitution Day and calling upon the people of the United States to observe such day with special ceremonies and other activities in celebration of the one hundred and seventy-fifth anniversary of the formation of the Constitution;

"(2) designating December 15, 1962, as Bill of Rights Day and calling upon the people of the United States to observe such day with appropriate ceremonies and activities; and

"(3) designating the period from September 17, 1962, to July 4, 1963, inclusive, as a period dedicated to a renewal of national awareness of the priceless heritage which the Constitution represents, and calling upon the people of the United States to engage in such educational and inspirational activities as will deepen their understanding of the Constitution and strengthen their devotion to it.

"DISTRIBUTION OF COPIES OF THE CONSTITUTION

"SEC. 8. The Attorney General, acting through the Immigration and Naturalization Service, is hereby authorized and directed to make available a suitable copy of the Constitution of the United States and the amendments thereto to each person entering the United States during the one-year period which begins on September 17, 1962.

"DISPOSAL OF PROPERTY OF THE COMMISSION

"SEC. 9. (a) After the Commission has discharged all its functions pursuant to this Act except for those under this section and section 10, it shall transfer to the Secretary of the Interior such of its records and other property as in his judgment are appropriate for permanent preservation or display in the Independence National Historical Park.

"(b) The Commission shall transfer the remainder of its records and property to the Administrator of General Services, who shall hold and dispose of such records and property in accordance with the Federal Property and Administrative Services Act of 1949.

"FINAL REPORT OF COMMISSION

"SEC. 10. The Commission shall make a final report of its activities to the Congress on or before the first day of the second session of the Eighty-eighth Congress, and upon the filing of such report, the Commission shall cease to exist.

"EXPENDITURES OF THE COMMISSION

"SEC. 11. All expenditures of the Commission shall be made from donated funds only."

SEC. 7. Nothing contained in this joint resolution shall affect the validity of actions heretofore lawfully taken under authority of the joint resolution of July 14, 1960 (Public Law 86-650).

And on page 7, strike out lines 1 through 2, inclusive.

Mr. LONG of Louisiana. Mr. President, I have discussed this subject with the ranking membership on both sides in the committee handling the bill, and they have no objection.

Therefore, I move that the Senate concur in the amendments of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

ADMITTANCE OF THE VESSEL "CITY OF NEW ORLEANS" TO AMERICAN REGISTRY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1747, Senate bill 3115, to authorize the admittance of the vessel *City of New Orleans* to American registry and to be used in the coastwise trade.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3115) to authorize the admittance of the vessel, *City of New Orleans*, to American registry and to permit the use of such vessel in the coastwise trade.

ORDER OF BUSINESS—THE CONFERENCE REPORT ON THE FARM BILL

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Is it the understanding of the Chair that there is in effect a unanimous-consent agreement under which the Senate will convene at 10 a.m. on Tuesday, and that at 3 p.m. will vote on the question of agreeing to the conference report on the farm bill (H.R. 12391)?

The PRESIDING OFFICER. That is correct.

CANYONLANDS NATIONAL PARK AND RECREATION AREA, UTAH

Mr. MOSS. Mr. President, we in Congress are often accused of doing futile and irrational things. The action taken today by my senior colleague, Mr. BENNETT, would seem to confirm this criticism. I refer, of course, to his action in introducing S. 3744, to create a Canyonlands National Park and Recreation Area in southeastern Utah. No act could be more meaningless at this time. Congress is in its last few days of the current session, and all bills that have not been enacted into law at the close of our session will automatically lapse and be of no effect. Moreover, the Senate Interior and Insular Affairs Committee voted several weeks ago to report favorably S. 2387, to establish a Canyonlands National Park. The committee report was formally filed in the Senate today. This Canyonlands National Park bill covers exactly the same area described in the Bennett bill, and has been before the Senate for nearly two years' time. Extensive public hearings were held on the Moss bill, S. 2387, to establish Canyonlands National Park and the Senator from Utah [Mr. BENNETT] appeared as a witness before the committee at these hearings. Not only this, but when public hearings were held in three different cities in Utah, the Senator from Utah [Mr. BENNETT], at the invitation of the chairman of the subcommittee, sat with the committee members and heard all of the witnesses, and was given an opportunity to ask questions and make statements for the record. All of the provisions which he now includes in his bill, introduced today, were suggested by him to the Senate Interior Committee. These were considered by the committee and were rejected before action was taken on the canyonlands bill, S. 2387.

The only possible motive that I can ascribe for the introduction of the bill by Senator BENNETT at this time, when it cannot possible be considered, and when its provisions have already been rejected by the Interior Committee, is an attempt to gain publicity for his political campaign in Utah.

His latest effort to oppose the establishment of Canyonlands National Park in Utah will not succeed. His steadfast and unreasoning opposition may have caused some delay; but, in the long run, the people of Utah will secure a national park in the wonderland area of southeastern Utah. Canyonlands will be a welcome addition to the the national park system, and will also bring great economic stimulus to the economy of Utah.

The tactics of the senior Senator have been to proclaim support of a Canyonlands National Park, and then to proceed to use every possible means to delay and defeat the Moss bill which is before the Congress. I am sure my colleagues in the Senate will recognize the tactics being used against Canyonlands National Park, and will not be misled. No area in the United States is more qualified for national park status than the territory described in the Canyonlands National Park bill. I will continue my fight for this legislation until our national park is a reality.

TRIBUTES TO THE MAJORITY LEADER AND THE MINORITY LEADER

Mrs. SMITH of Maine. Mr. President, it is hoped that within the next 2 weeks

Congress will complete its legislative agenda and will adjourn. In the closing hours there will be laudatory speeches to the leaders of the Senate, to the officers of the Senate, and to the employees of the Senate—and very properly so.

Today, I want to pay my respects to the majority leader and the minority leader of the Senate. I speak first of the minority leader, because he is a member of my own political party. I shall speak briefly, and not dwell at length, because my feeling is very simply summed up by saying that he is the best minority leader during the 14 years it has been my privilege to serve in the Senate.

Considering the high caliber of minority leaders in the past 14 years, what higher praise could I express than this?

As a member of the opposition political party, I want to pay special tribute to the majority leader, the very distinguished senior Senator from Montana. Without a doubt he is the most considerate and patient and kind man ever to serve as majority leader.

I have never seen anyone in the Senate take the abuse that he has taken in this year's session. Yet, he never lost his temper; he never resorted to vindictiveness or to retaliation. Instead, with consummate patience, he repeatedly turned his cheek and took constant abuse, while refusing the temptation to strike back.

If I were ever to write a book on profiles in courage, I would certainly place MIKE MANSFIELD in the select list, for it takes tremendous courage to keep your silence—to hold your tongue—when you are being pilloried day after day with shocking intensity.

And we of the Senate know why MIKE MANSFIELD took such abuse so silently without rancor and without retaliation. We knew why externally he remained calm and courteous and considerate and patient, while we strongly suspected that internally he was suffering very, very deep hurt.

We knew that he was not only placing the harmony of his own political party ahead of his own individual feelings, that he was willing to be so unfairly treated without fighting back, to do so for his party.

We knew that he was doing it for a greater and more noble reason: because he was placing the welfare of his country and the welfare of the Senate ahead of his own individual position and feelings.

In doing so he truly and inspiringly exemplified leadership at its very best, for he was acting not just as the majority leader of the Senate, not just as the Democratic leader of the Senate, but as the leader of the Senate, without the restrictive prefix of majority.

And one of the proudest moments of this session of the Senate was when our great minority leader arose on the Senate floor and in a tremendous tribute to MIKE MANSFIELD devastatingly defended him against the detractors in his own Democratic Party. If there was ever a magnificent display of nonpartisanship in the Senate it was on that occasion.

Mr. MORSE subsequently said: Mr. President, I listened with great interest, but not with any agreement, to the speech made a few minutes ago by the Senator from Maine [Mrs. SMITH]. I sent a notice to her that I would make a brief reply to her address. I am sure that the majority leader will be delighted and highly flattered and pleased to be so warmly complimented and praised by such a delightful, charming, and lovely lady. But the Senator from Maine, of course, commented upon what, after all, is a family quarrel on this side of the aisle, and usually when outsiders involve themselves in family quarrels, they please only one side of the family.

Of course, I can well understand how the Republicans would be pleased with many of the courses of action of the Democratic leadership during the present session of Congress, for in the opinion of the Senator from Oregon, that course of action will be very helpful to them in their campaigns to elect Republicans in November. But those of us who disagree with the course of action of the Democratic leadership on many matters do not think that some of the course of action followed by our Democratic leadership will be helpful in electing Democrats. Therefore, having listened to the speech of the Senator from Maine, I wish to file this caveat of disagreement. I point out that we on the Democratic side are capable of handling our own family quarrels. We hope that in due course of time we may find a basis for readjustment and reconciliation. But, as far as those of us who think that the Democratic leadership has made some very serious mistakes at the present session of the Congress by its coalition policies with the Republicans, I wish to say that we will not have our views changed by complimentary speeches about the leadership coming from the Republican side of the aisle.

SHARP COST INCREASES IN FEED GRAIN SECTION OF FARM CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, on tomorrow at 3 o'clock the Senate will vote on the farm conference report on H.R. 12391.

I am particularly happy that my amendment to make feed available from CCC stocks in case contamination of local feed supplies by radioactive fallout occurs, was retained by the conference committee.

This amendment might mean a great deal to the dairy farmers in some localities at a time when they were in serious trouble.

I have serious reservations, however, with respect to the feed-grain provisions for 1963 and for later years. The feed-grain provisions in this bill will protect and maintain feed-grain-livestock producers' incomes in 1963 and will prevent the further buildup in stocks which would occur if we returned to the 1958 legislation, with supports at 65 percent of parity on unlimited production.

The feed-grain provisions for 1963 are far less satisfactory, however, than a continuation of the 1962 program with amendments which I proposed when the bill was debated in the Senate.

The distinguished chairman of the Agriculture and Forestry Committee brought back a conference report which will cost the Government more and which will result in less adjustment in feed-grain acreages than would have resulted from a simple extension of the current voluntary program.

Mr. President, I offered amendments which, if adopted, would have tightened up the administration of the current voluntary feed-grain program. They would have tended to increase acreage diversion, by requiring participation in it to be eligible for soybeans price supports, for example. If adopted they would have reduced the Government cost of the current voluntary program by several million dollars and made it more effective.

Now, however, in the closing days of the session we are presented with a conference report which will increase the cost of the voluntary feed grains program by much more and result in substantially less diversion of feed grain acreages.

Mr. Shuman, president of the American Farm Bureau Federation, charges that the direct payment featuers in this conference report "would double the $900 million spent under the 1962 program for feed grains." This may be an overstatement. It may not be as bad as that, but it is bad enough.

Both the grain trade which promoted the use of direct payments for feed grains and the storage industry should be highly pleased. Since the minimum resale price of feed grains represented by payment-in-kind certificates cannot be sold at less than the loan rate, it is doubtful that CCC will be able to sell any grains except those out of condition. And with smaller acreage diversions on the participating farms under the economic incentives of this program, it is doubtful that the 1963 program will result in any reduction in carryover stocks.

According to my information, after allowing for the cost of Commodity Credit Corporation operations in taking over about 600 million bushels of 1962 corn at $1.20 per bushel under the loan, and selling an equivalent amount at $1 a bushel, the 1963 voluntary feed grain program will cost much more than a simple extension of the 1962 program. Even more serious, whereas the intended diversions of corn, grain sorghum, and barley under the 1962 program total 32.7 million acres, the diversions in 1963 under the provisions of the conference report are likely to be much less.

Mr. President, if, for example, 9 million of the acres which were diverted to conservation practices in 1962 are planted to feed grains in 1963—which is entirely possible under this program—production will be 400 to 500 million bushels higher than otherwise. Unless yields fall below 1961–62 levels, carryover stocks will not be reduced by the 1963 program.

Assuming a net reduction in CCC stocks under the 1962 program of 425 million bushels of corn equivalent—as is estimated for the 1961 program—the net cost to the Government of the 1962 program totals little more than half the projected cost of the 1963 program.

Needless to say, I am upset by these developments. I had hoped that we could lower the cost of the voluntary program and that after 1 more year feed grain stocks would be down to desirable levels. Now, unless the weather is unfavorable next year, carryover stocks will continue to be excessive.

WIDE-RANGING STUDIES OF ALTERNATIVE FEED GRAIN PRICE-SUPPORT PROGRAMS NEEDED

Mr. President, I hope a number of the Members of the Senate will join with me in urging the Secretary of Agriculture to undertake wide-ranging studies of alternative feed grain programs for the years following 1963. As our distinguished chairman knows, I am unhappy with the provisions in this conference report for feed grains after 1963. The Secretary of Agriculture is given authority to set feed grain price supports within the range of 50 to 90 percent of parity, but at such a level as will not result in a buildup in stocks. This is entirely inadequate. It is my understanding, however, that the Secretary of Agriculture will make recommendations to the next Congress for a long-term feed grains program to be effective beginning in 1964.

Next year our feet will be to the fire. Those of us who want to maintain income for dairy, beef, and hog farmers will be in a far different position than we were this year, because the alternative to doing nothing will be 50-percent price supports, which means a further cruel income drop for our farmers. It means 50 percent of parity price supports without controls, which means devastation, not only for the feed grain farmers, but for the dairy and beef farmers, too.

As a basis for these recommendations I want to urge that careful studies be undertaken of a wide range of modifications in the 1961–62 voluntary feed grain programs as well as studies of modifications in the provisions for 1963.

I have heard nothing from the staffs, or the experts, except that the administration will insist on putting into effect mandatory controls for 1964. It is going to use the provisions in the bill to get them, and we will not be able to fight for the maintenance of the present program on any basis, regardless of the merits of the voluntary program.

FEED GRAIN PROGRAM SHOULD BE FAR DIFFERENT THAN OTHER PROGRAMS

We must all recognize the very great difference between the cotton program, or the tobacco program, or the wheat program, on the one hand, and the feed grain program on the other. Eighty to eighty-five percent of the farmers who grow feed grains feed them on the farm. For that reason, controls are extremely difficult to establish and maintain.

In my view, a long-term feed grains program should have as its goal the balancing of supplies with disappearance at prevailing or moderately higher market prices and at no greater cost to the Government than the 1961–62 programs.

I think we were in sight of achieving that end. I think if the bill which passed the Senate this year had been accepted in conference, we would have had a surplus so low that balanced production and consumption would be possible. We would not have had to worry about mandatory controls. We would not have had to worry about 50-percent price supports. But the conference report changed the situation drastically, and the result means that we are not going to get the kind of diversion we had last year and this year. As a result, next year, those who favor mandatory controls will have a great advantage.

Mr. President, somehow there seems to be a phobia on the part of some powerful people that, merely because there are mandatory programs for cotton and for tobacco, therefore everyone must be put under exactly the same kind of program, regardless of how inapplicable it may be. This is a most unfortunate situation. This attitude in the administration has caused it great difficulty this year. Those who have reflected upon it have recognized that we who oppose the mandatory controls for the feed grain farmers have been proved correct on the basis of what happened in the turkey referendum and in the wheat referendum. It is mortally certain that if a mandatory feed grain control program had passed the Congress this year the farmers would have rejected it by a majority vote, whereas it would have required a two-thirds vote to accept it. The result of this rejection would have been chaos on the farms.

I should like to document this point a little bit more before I conclude.

BASIC DATA UTILIZED IN MAKING ESTIMATES OF COSTS AND ACREAGE DIVERSION COMPARISONS UNDER PROPOSED 1963 FEED GRAIN PROGRAM

Total base acreage, base acreage on participating farms and intended acreage to be diverted in 1962 for corn, grain sorghums, and barley are shown in tables 13, 14, and 15 of the feed situation, USDA, May 1962, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Corn	Grain sorghum	Barley	Total
Total base acreage (million acres)	86.3	20.9	16.0	123.2
Base acreage on participating farms (percent)	58.5	74.0	50.0	--------
Percent of base on participating farms to be diverted	45.3	43.3	39.3	--------
Total acres to be diverted (million)	22.9	6.7	3.1	32.7

Mr. PROXMIRE. Mr. President, one of the reasons for the high percentage diversion on the participating farms is the provision that small producers may divert their entire acreage, up to a maximum of 25 acres.

The conference report provides that for 1963 feed grain producers who divert at least 20 percent of their base feed grain acres may receive an acreage diversion payment equal to 50 percent of the value of the crops produced with the loan level at $1.02 per bushel for corn and corresponding loan levels for other feed grains. Participating producers would also receive 18 cents a bushel for corn, about 15 cents a bushel for grain sorghum and 13 cents a bushel for barley on the normal production on the remaining base acreage. Although producers would receive diversion payments at the 50-percent rate for diverting up to 50 percent of the base acreages, there would be no economic incentive to divert more than the minimum 20 percent required to be eligible for the price support loans, price support payments and acreage diversion payments.

There are several reasons why the diversion sought will not be achieved by the conference proposal.

SMALL FARMER DIVERSION DISCOURAGED BY CONFEREES

The small farmer, the farmer with 25 acres, will have far less incentive to reduce acreage below 50 percent, whereas it was feasible to take out of production the entire acreage under the provision passed by Congress last year.

Since the economic incentives for diverting a minimum of 20 percent of the feed grain base acres is substantially higher under the 1963 provisions, a reasonable estimate is that 75 percent of the corn and barley and 85 percent of the grain sorghum base acreage would participate in the 1963 program. Allowing for the diversion of a substantial number of entire base acreages of less than 25 acres it is estimated that 25 percent of the base acreage on all participating farms would be diverted. If this occurs—I think it is optimistic—acreage diversions in 1963 would compare with intended diversions in 1962.

Mr. President, I ask unanimous consent that the table showing the comparison may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Intended diversion	Estimated diversion	Difference
	1962	*1963*	
Corn----------million acres	22.9	16.2	−6.7
Grain sorghum----------do	6.7	4.4	−2.3
Barley----------do	3.1	3.1	0
Total----------do	32.7	23.7	−9.0

CONFERENCE RECOMMENDATIONS DOUBLE COST OF FEED GRAIN SECTIONS OF PROGRAM

Mr. PROXMIRE. Mr. President, I wish to show why I think the conference report on the bill would result in a cost twice as high for the taxpayers as the cost would have been under the bill which previously was passed by the Senate.

The cost of acreage diversion payments under the 1962 program have been estimated by USDA at $900 million. In addition, the Commodity Credit Corporation may take over 600 million bushels—corn equivalent—of 1962 feed grains at $1.20 per bushel while selling an equal amount at $1 per bushel, resulting in a net additional cost of $120 million. The combined acreage diversion payments and CCC losses on loans at $1.20 per bushel for corn for the 1962 program will approximate $1,020 million.

The net cost after allowing for net Commodity Credit Corporation stock reductions of 425 million bushels, for which there would be compensation, would be reduced to about $595 million. That is why I say the program is working well. The cost is moderate in terms of costs in the past. The program is reducing the surpluses.

Under the 1963 provisions with participation in the program and acreage diversion payments as estimated above, acreage diversion payments would be $550 million, price support payments would be $573 million, resulting in total payments of $1,123 million, or $103 million higher than the total estimated cost of the 1962 program.

But that would be only the beginning. With 9 million additional acres planted to corn and grain sorghums an additional 400 to 500 million bushels of feed grains might be produced compared to the result if the 1962 provision had been continued.

If yields in 1963 are as high as in 1961–62, there would be no net reduction in CCC stocks of feed grains, and the net cost of the program would approximate $1,123 million, or almost double the net cost of the 1962 program, more than half a billion dollars higher.

The farmers would be no better off, and the taxpayers would be $600 million worse off. The pressure would be on us next year, when the Congress considered the bill, both in the Committee on Agriculture and Forestry and in the Senate, to proceed with a mandatory program, which the farmers do not want and which probably they would vote down. The pressure would be on us to adopt that kind of program, and it would be a very heavy pressure indeed.

Mr. President, the difficulty is that the farmer under the conference proposal would get almost as much payment for diverting 20 percent of his land under the new proposal as he was paid for diverting 40 percent under the old proposal. With this kind of payment, we would not get the reduction in acreage needed to reduce production.

Now the payment this year under present law is $1.20 a bushel for cooperators, for those who divert acres, plus 50 percent of $1.20 on normal production of the first 20 percent of diverted acres, or 60 cents. Then, in addition, it is 60 percent of $1.20 on normal production of the next 20 percent of diverted acres, or 72 cents. Therefore, the farmer now has an incentive to divert not 20 percent but 40 percent of the acres, because he gets 72 cents per bushel for production on the second 20 percent of acres diverted.

Furthermore, the small farmer could divert his entire production. Many of them have done so. The statistics which I have put into the RECORD show a result with respect to corn of more than 45 percent of the base acreage diverted. That is a tremendous diversion. The program has been a great success.

INCENTIVE FOR DIVERSION GONE IN CONFERENCE

Under the new program these incentives vanish. The complier who diverted only 20 percent of the acreage still would get an effective $1.20 a bushel—including an 18-cent cash payment—while the noncomplier would get $1.02 a bushel. There would be a difference, though. There would be no extra payment over the 50 percent for diverting more than 20 percent of the acreage.

In addition, the base upon which the 50 percent would be figured would be $1.02, and not $1.20, so the payment would be 51 cents, half of $1.02, and not 72 cents.

Furthermore, after the reduction of 20 percent, the cooperators would get 18 cents a bushel on all production; hence, there would be only a 33 cent incentive for not producing, compared to a 72 cent incentive under the old program. That is why I think my estimate that there would be a 25-percent diversion instead of a 45-percent diversion is realistic.

Under the new plan the total payments would be almost as good—benefits over 90 percent as high—for diverting 20 percent of the acreage, as under the old plan for a 40-percent diversion of acreage.

Mr. President, I must say that this is an exceedingly difficult vote for me to cast, because I think that one can make some argument that the conference report possibly would provide a better income for feed grain farmers, for one year, but the situation in 1963 would be almost impossible for those of us who want to represent the dairy farmers honestly and well in the U.S. Senate. We would be placed in the position that if we did not act the farmers would get 50-percent price supports for feed grains with no controls voluntary or mandatory. This would result in a terrific overproduction of milk and a terrific overproduction of hogs at very low prices, perhaps 9 or 10 cents—but if we do act the administration would be in a position, with a veto power, to require that we take the mandatory controls the administration wants.

CHRONOLOGY OF U.S. RELATIONS WITH CUBA FROM 1957 TO 1962

Mr. MORSE. Mr. President, early this year, I asked the Department of State to prepare for me a chronology of U.S. relations with Cuba from the time we suspended arms shipments to its Fascist government to the time when the Communist government of Cuba openly embraced the Sino-Soviet bloc and became an ally of it.

I had asked the Department of State to prepare this chronology because I have often been disturbed by the misguided opinion frequently heard in this country that Fidel Castro turned to communism because, in effect, the United States was not nice enough to him.

For myself, I think it would be hard to find any new government which has come to power in the Western Hemisphere in this century with more interest, support, and sympathy from the United States than which the Castro government enjoyed. In my opinion, there was at the time an enthusiasm for Castro in the United States that was itself totally blind to the excesses the revolution committed against its own people. I well recall the abuse I received myself from segments of the press when I called for an end to the bloodbath of mass executions that marked the early months of that new government.

How anyone could find more to admire in summary execution and murder perpetrated by Castro and his cohorts than the same crimes committed by Batista and his cohorts is beyond my understanding.

Nonetheless, we offered the hand of friendship to Castro from the beginning, including the offer of financial assistance. Moreover, our purchases of Cuban sugar were continued for some time after "Che" Guevara declared that American purchases of Cuban sugar have meant slavery for the people of Cuba.

I am pleased to place this chronology of events in the CONGRESSIONAL RECORD as testimony of the good faith effort the United States put forth for many months to maintain friendly relations with Castro even in the face of many provocations. I ask unanimous consent to have this chronology, with its covering letter and memorandum, printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the chronology, letter, and memorandum were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 20, 1962.

Hon. WAYNE MORSE,
U.S. Senate.

DEAR SENATOR MORSE: I refer to your letter of February 20, 1962, and to my interim reply of March 6, 1962, concerning a chronology of the important events in our relations with Cuba since 1957.

Enclosed is a "Chronolgy of Important Events in United States-Cuban Relations, 1957–1962," which responds to the points raised in your letter.

With regard to your inquiry as to the present whereabouts of two Cuban citizens, Mr. Manuel Antonio de Varona is now located at 1034 Michigan Avenue, Miami, Fla., and Mr. Ramon Prendes is at 624 SW. 14th Avenue, Apt. 11, Miami, Fla. Both are now in opposition to the present Communist regime in Cuba.

Please let me know if I can be of further assistance to you.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

Enclosure: Chronology of United States-Cuban relations.

CHRONOLOGY OF IMPORTANT EVENTS IN UNITED STATES-CUBAN RELATIONS, 1957–62

SUMMARY

The attached chronology for the period 1957–62 records, on the one hand, U.S. Government attempts to get along with the Castro regime in Cuba, and on the other, that regime's hostility toward the United States and betrayal of the Cuban revolution to international communism.

As early as 1957 the U.S. Government expressed its concern over political unrest in Cuba. In 1958 we suspended arms shipments to the Batista government which, in disregard of an agreement with the United States, had used them to combat the revolutionary movement headed by Fidel Castro. When the Castro regime came to power in 1959, the United States looked upon it with sympathy, recognized it almost immediately, and welcomed its promises of political freedom and social justice for the Cuban people. We made clear our willingness to discuss Cuba's economic needs. Despite our concern at the Cuban regime's mounting hostility toward the United States and its growing Com-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 26, 1962
For actions of Sept. 25, 1962
87th-2d, No. 173

CONTENTS

Animal food.....2
Appropriations.....1,12,30
Civil defense.....1
Drugs.....2
Education.....25
Extension work.....10
Farm program.....9
FHA loans.....32
Foreign agriculture.....26
Foreign aid.....7,28
Foreign trade.....29
Forestry.....20
Minerals.....22
National goals.....8
Patents.....23
Pay increase.....11
Peanut laboratory.....12
Personnel.....11,19
Postal service.....11
Public works.....16
Purchasing.....34
Research.....12,17,20
Retirement.....19
Ryukyu Islands.....6
School lunch.....4
Statistics.....15
Taxation.....14,21
Territories.....6
Tobacco.....31
Transportation.....5,13,27
Water pollution.....18
Water resources.....24
Watersheds.....3
Wildlife.....33

HIGHLIGHTS: Senate agreed to conference report on farm bill. Senate began consideration of pay bill. Senate passed bill to revise formula for distribution of extension work funds. Sen. Russell defended establishment of peanut research laboratory in Ga. Senate passed bill to assist states in forest research. Sen. Boggs inserted speech on agricultural research accomplishments. Conferees agreed to file report on tax bill. Sens. Dodd and Wiley inserted articles on food situation in Communist China. Both Houses agreed to conference report on independent offices appropriation bill.

HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Both Houses received and agreed to the further conference report on this bill, H. R. 12711, and acted on amendments in disagreement (H. Rept. 2466)(pp. 19421-3, 19446, 19472-5). Agreed to an amendment to appropriate $88,000,000 for expenses necessary for studies, research, surveys, and marking to develop measures and plans for civil defense instead of $10,000,000 for research as proposed by the House and $93,800,000 for shelter, research, and development, and construction as proposed by the Senate. This bill will now be sent to the President.

2. DRUGS. The Rules Committee reported a resolution for the consideration of H.R. 11581, for the proposed Drug and Factory Inspection Amendments of 1962. pp. 19432-3, 19446

   As reported, the bill amends "the anticancer clause of the food additives amendment and the color additive amendment of the Federal Food, Drug, and Cosmetic Act by making this clause inapplicable to chemicals such as veterinary drugs when used in feed for food-producing animals if the Secretary finds

(1) that under the conditions of use and feeding specified in the proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (2) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations) in any edible portion of the animal after slaughter or in any food such as milk or eggs yielded by or derived from the living animal."

3. WATERSHEDS. Both Houses received from the Budget Bureau a plan for works of improvement relating to the following watershed: Big Creek, Tex.; to Agriculture Committee. pp. 19445, 19481

   Both Houses received from the Budget Bureau a plan for works of improvement relating to the following watershed: Boulder Lake, Wyo.; to Public Works Committee. pp. 19445-6, 19481

4. SCHOOL LUNCH. The "Daily Digest" states that the Judiciary Committee "Tabled S. J. Res. 211, providing for the establishment of an annual National School Lunch Week." p. D891

5. TRANSPORTATION. Agreed to the conference report on S. 320, to amend the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State. pp. 19433-8

6. TERRITORIES. Concurred in the Senate amendment to H. R. 10937, to amend the act providing for the economic and social development in the Ryukyu Islands. This bill will now be sent to the President. p. 19419

7. FOREIGN AID. Rep. Ichord, Mo., criticizing the foreign aid program and inserting an address by Mr. Justice Douglas. pp. 19439-40

8. NATIONAL GOALS. Rep. Halpern urged enactment of legislation to establish a permanent National Council on U. S. Goals. pp. 19442-3

SENATE

9. FARM PROGRAM. By a vote of 52 to 41, agreed to the conference report on H. R. 12391, the farm bill (pp. 19447-72, 19475-80). This bill will now be sent to the President. See Digest 167 for a summary of the bill.

10. EXTENSION WORK. Passed without amendment H. R. 12589, to modify the formula for apportionment of Federal Extension Service funds so that 4 percent of any increase in appropriations over the 1962 level would go to the Federal Extension Service for administration and coordination of cooperative extension work and the remaining 96 percent of any increase would go to the States with 20 percent distributed equally, 40 percent on the basis of farm population, and 40 percent on the basis of rural population. Also, the bill provides for quarterly, instead of semiannual, payment of extension funds to the States. This bill will now be sent to the President. pp. 19528-9

11. PERSONNEL; POSTAL SERVICE. Began consideration of H. R. 7927, the Federal pay and postal rate increase bill. pp. 19539-53

12. APPROPRIATIONS; RESEARCH. Sen. Russell defended an item in the agricultural appropriation bill for the establishment of a peanut research laboratory at Dawson, Ga., contended that statements were made on the floor of the House which "totally misrepresented the nature of the work this institution proposed

Senate

TUESDAY, SEPTEMBER 25, 1962

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God, our Father, unchanging amid the changing years, we come to this daily fellowship of prayer, not so much to seek Thee as to keep open our faltering lives in penitence and a sense of dire need of Thy waiting strength.

Thou art the God of hope. In a world filled with sights that sadden and thorny problems that bewilder and perplex, may our hearts be lifted up by the realization that ours is also a time arched with the promise of a better tomorrow.

Following the gleam of the hope that sends a shining ray along the future's broadening way, give us, we pray, sagacity, spaciousness of mind and a transparent purity of heart, that even surrounded by hatred and pride and greed, we may see God and the godlike as we walk humbly the ascending path of a climbing faith that has a better air to breathe than the smog of cynicism and doubt and denial.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD and by unanimous consent, the reading of the Journal of the proceedings of Monday, September 24, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Capt. Mary J. Wettle for appointment in the Regular Air Force, which was referred to the Committee on Armed Services, and withdrawing the nomination of Ella E. Johnson, to be postmaster at Bovill, Idaho.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees were authorized to meet during the session of the Senate today:

The Committee on Interior and Insular Affairs, in executive session.

The Judiciary Committee.

The Committee on Post Office and Civil Service.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

On request of Mr. HUMPHREY, and by unanimous consent, the Intergovernmental Relations Subcommittee of the Committee on Government Operations was authorized to meet during the session of the Senate tomorrow.

CORRECTION OF THE RECORD

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have a correction made in the Senate proceedings for the permanent RECORD. The mistake appears on page 19262 of yesterday's RECORD for September 24, under the title "Adjustment of Postal Rates—Report of a Committee—Individual Views (S. Rept. No. 2120)." The last sentence in my statement should read as follows:

I ask that the report be printed, together with the individual views of the Senator from Oklahoma [Mr. MONRONEY] and the individual views of the Senator from Pennsylvania [Mr. CLARK].

The VICE PRESIDENT. The correction will be made.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Montana will state it.

Mr. MANSFIELD. Under the unanimous-consent agreement which has been entered into, has provision been made for a morning hour today, or does the time limitation begin immediately?

The VICE PRESIDENT. Under the agreement, no provision for a morning hour has been made.

FOOD AND AGRICULTURE ACT OF 1962—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, what is the pending business?

The VICE PRESIDENT. Under the order of the 20th instant, the Senate will proceed to the consideration of the conference report on House bill 12391, the so-called farm bill, to be presented by the Senator from Louisiana [Mr. ELLENDER], with the time until 3 p.m. to be divided equally and controlled, respectively, by the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] and the ranking minority member [Mr. AIKEN]; and at the hour of 3 p.m. the Senate will proceed to vote, without further debate, on the question of agreeing to the report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time required for it be charged equally to both sides.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 12391, to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Sept. 17, 1962, pp. 18534–18543, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The Chair announces that under the unanimous-consent agreement which has been entered into it was ordered that the conference report become the business of the Senate following the reading of the Journal today and that the final vote be taken at 3 o'clock, the time in the meanwhile to be equally divided.

The question is on agreeing to the conference report.

Mr. ELLENDER. Mr. President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 20 minutes.

Mr. ELLENDER. Mr. President, there were a number of differences between the House farm bill and the Senate amendment to H.R. 12391. However, the greatest interest has been centered on the feed grain and wheat provisions. Although the details were different, both versions extended again for 1963 the so-called emergency feed-grain program.

In addition, both versions also departed, beginning in 1964, from the permanent price-support provisions which were enacted in 1958.

THE 1963 FEED-GRAIN PROGRAM

For 1963, the House bill provided for a single program for corn, sorghum, and barley, and contained a number of other changes from the 1962 program. The Senate 1963 feed-grain provisions were basically the same as those for the 1962 program, as they existed at the time S. 3225 was reported to the Senate in April.

The conference substitute, in general, follows the House 1963 feed-grain provisions. Neither bill contained any mandatory control features for feed grains. Neither does the conference substitute.

I emphasize that insofar as the feed grain provisions of this bill are concerned, there are to be no acreage controls whatever, and none in contemplation.

Price supports for corn would not be less than 65 percent of parity with other feed grains at comparable levels. However, the Secretary of Agriculture has indicated that price supports for corn would be set at a national average of $1.20 per bushel.

As a condition of eligibility for price supports, producers would be required to divert at least 20 percent, and could divert to conserving uses up to 50 percent, of their 1959–60 feed grain base acreage. The base acreage would be the combined acreages of corn, grain sorghum, and barley.

Producers who chose to divert feed grain acreage would receive payments in cash or in kind on the first 20 percent and payments in kind only on the additional 30 percent permitted by the bill.

The rate of payment in both cases would be not in excess of 50 percent of the support price for the normal production of the acreage diverted from the commodity on the farm, based on its adjusted average yield per acre for the 1959 and 1960 crop acreage.

The Secretary may make adjustments in acreage and yields for the 1959 and 1960 crop years to correct for abnormal factors affecting production, including—in the case of the first 20-percent reduction—adjustments to reflect increases in yields due to the adoption or improvements of irrigation systems prior to passage of the bill. In addition, actual yields must be used if proved by the producer.

The Secretary of Agriculture could exempt, but would not be required to exempt, malting barley producers meeting conditions similar to those of the 1962 program from participating in the 1963 program as a condition of barley price supports. Exempt malting barley producers would still be required to participate in the program as a condition for price support for corn and sorghum, but their participation would be limited to corn and sorghum.

The Secretary could permit diversion to be made to guar, sesame, safflower, sunflower, castor beans, and flax, with payments at up to 50 percent of the regular diversion payment rate. Any producer would be permitted to put up to 25 acres in the program and a single payment rate of not to exceed 50 percent of the normal production of the diverted acreage would be provided.

The producers participating in the program might divert as little as 20 percent of their 1959 or 1960 acreage, or as much as 50 percent.

The amendment of the Senator from South Dakota, requiring producers to take appropriate erosion control measures on diverted acres, was included in both the feed grain and wheat provisions of the conference substitute.

Price supports on 1963 feed grains to participants in the program will be the same as in 1962, based on a national average of $1.20 per bushel for corn. However, the support program will be carried out partially by payments in kind and partially by the usual loans and purchase agreements. Price support payments in kind at 18 cents per bushel on corn, and at comparable rates on grain sorghums and barley, would be made on the normal production of the 1963 acreage. The balance of the support price would be made available in the usual manner on actual production. In determining the normal production of the 1963 acreage for the purpose of price support payments it is anticipated that the same yield figures would be used as in determining payments on the first 20 percent acreage diversion. If 1959–60 yields were adjusted to reflect the adoption of irrigation for the purpose of the first 20 percent diversion, they would also be adjusted for the purpose of price support payments.

All payment-in-kind certificates would be redeemed in feed grains valued at the loan rate. Payment-in-kind certificates would be handled in the same manner as under the 1961 and 1962 feed grain programs, except that the minimum resale price of feed grains represented by such certificates could not be less than the loan rate. Cooperating farmers receiving such certificates have three choices: (A) to exchange them for actual grain from CCC stocks; (B) to sell the certificates; (C) to request CCC to market the certificates for them, in which event the CCC would advance the producer the face value of the certificates.

This procedure is substantially the same as in effect in 1962, except that it would give assurance to the grain trade of a stable feed grain market at about the loan level of $1.02, whereas in 1962 the Commodity Credit Corporation could sell certificate grain at the market price.

THE 1964 AND SUBSEQUENT FEED GRAIN CROPS

Both the House bill and the Senate amendment departed from the provisions of the Agricultural Act of 1958, dealing with price supports for feed grains after 1963.

The House bill provided for support for corn at 80 percent of the 3-year average price instead of 90 percent of the 3-year average price or 65 percent of parity, whichever was lower. The Senate amendment provided for price supports at such level not exceeding 90 percent of parity as would not result in increasing Commodity Credit Corporation stocks. The Senate also struck out the provisions of the 1958 law providing mandatory support of the other feed grains and increased the minimum Commodity Credit Corporation retail price for feed grains to 65 percent of parity plus reasonable carrying charges.

The conference substitute provided for support for corn at such level from 50 to 90 percent of parity as would not increase Commodity Credit Corporation stocks, left mandatory support for the other feed grains as provided by the 1958 law, and left the Commodity Credit Corporation minimum resale price for unrestricted use at 105 percent of the current support price plus reasonable carrying charges.

Provisions of the Senate amendment directing the Secretary to make recommendations for further legislation next year were omitted as unnecessary since the Secretary is expected to submit recommendations for any legislation that he believes appropriate.

THE 1963 WHEAT PROGRAM

When the Senate passed H.R. 12391, it was realized that it was then too late to revise the marketing quota law for wheat and put a marketing certificate program into effect for 1963. The conference substitute, therefore, provides for a voluntary program for 1963, somewhat along the lines of the House provision but with no mandatory allotment reductions and with a number of improvements.

Producers would be given the opportunity to divert from 20 to 50 percent of their allotments to conserving uses or named oilseed crops. For participating in this diversion program they would receive, first, payments-in-kind of up to 50 percent of the normal yield of the diverted acreage multiplied by the county loan level—based on a national level of $1.82—and, second, additional payments-in-kind of 18 cents per bushel on the normal yield of their planted acreage. The normal yield for computing both of these payments would be based on 1959 to 1960 yields.

Producers with a small farm exemption would divert from the average acreage planted by them in 1950, 1960, and 1961 or 15 acres, whichever was less.

The conference substitute also contains a provision, somewhat similar to that in effect for 1962, making the small farm exemption for 1963 the highest acreage planted in 1959, 1960, or 1961, but not more than 15 acres.

THE 1964 WHEAT PROGRAM

The wheat marketing certificate program and the other Senate provisions relating to wheat are contained in the conference substitute with minor changes, except that they would be made effective in 1964 instead of 1963. As a result of this change, and in view of the voluntary 1963 diversion payment program provided by the conference substitute, diversion payments under the Senate provisions would be limited to 1964 and 1965. The only other changes, other than merely technical ones are as follows:

First. If a feed grain diversion program should be provided after 1963, substitution of feed grain and wheat acreage

would be permitted to such extent as would not adversely affect the feed grain and wheat programs.

Second. The small farm base would be based on a 3-year adjusted average acreage, instead of a more complicated base involving the 3 years of highest acreage out of a 5-year period. Also the year 1963 would be excluded from the base years.

Third. The crops to which acreage might be diverted without losing the full diversion payment would be limited to the same oilseeds provided for in the 1962 wheat and feed grain programs.

Fourth. The provision of the Senate amendment permitting the Secretary to provide equitable treatment to producers who rendered performance in good faith in reliance upon the advice of the Department under the 1962 and subsequent wheat programs would be extended to apply to the 1961 and subsequent feed grain programs. The Senate previously passed such a provision in S. 3225; and the Senators from Missouri [Mr. SYMINGTON and Mr. LONG] have introduced S. 3667 to accomplish this purpose.

DAIRY

The conference substitute does not contain any provisions relating to dairy products. The House bill contained provisions for a voluntary diversion program for milk, but this has been omitted from the conference substitute.

There is pending now before the Committee on Agriculture and Forestry a dairy bill which I have introduced. I hope that during the fall or early in January, the committee may see fit to hold hearings on the subject of dairying, not only in Washington, but also at the grassroots. I am particularly eager to have some hearings held in New York, Vermont, Ohio, Minnesota, probably some Western State, and in Louisiana.

INDUSTRIAL USES

The House bill had no provisions relating to industrial uses research, and the House conferees were unwilling to accept the Senate provisions on this subject. The conference substitute therefore does not contain them.

LAND UTILIZATION

The remaining provisions of the bill were not as controversial as the feed grain and wheat provisions.

Both Houses provided for long-term diversion contracts with farmers under the Soil Conservation and Domestic Allotment Act, but differed in details. The conference substitute provides for contracts covering up to 10 years and for diversion to recreation but not to nonagricultural purposes. Payments for tree cover could not be made for more than 5 years, and contracts could not be entered into with new owners, except in specified cases. Acreage history could be preserved or surrendered as provided in the Senate amendment. Payments would be limited to $10 million in any years as provided by the Senate amendment, except that for 1963 an additional $15 million might be paid on lands previously covered by conservation reserve contracts. The committee anticipates receiving recommendations from the Department of Agriculture, and holding hearings next year, to determine what ought to be done after 1963 for land coming out of the conservation reserve program.

The conference substitute adopts the House language amending the policy provisions of section 31 of the Bankhead-Jones Farm Tenant Act. This would prohibit the building of private industrial parks, and omit the Senate language with respect to providing public recreation.

The Senate provisions repealing the authority for Federal land acquisition under the Bankhead-Jones Farm Tenant Act, and providing for loans to State and local public agencies to carry out land utilization plans are retained in the conference substitute.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The time the Senator has allotted to himself has expired.

Mr. ELLENDER. I yield myself 14 additional minutes.

The Senate provision amending the Watershed Protection and Flood Prevention Act are retained with an amendment limiting Federal participation in recreational development to not more than one such development in each 75,000 acres.

The House provisions amending the Watershed Act to provide for deferred repayment for storage capacity to meet anticipated municipal and industrial water supply needs and clarifying sections 5 and 7 of the act are also included in the conference substitute. The provision for anticipated municipal and industrial water needs corresponds to provisions of the Water Supply Act of 1958 and gives the Secretary of Agriculture the same authority with respect to watershed projects that the Secretary of the Army and the Secretary of the Interior have with respect to flood control and reclamation projects. The amendment to section 5 is purely a clarifying revision of that section without substantive change, while the amendment to section 7 makes it clear that past and future amendments of section 4 of the act, which sets out the conditions upon which assistance may be given, would be applicable to additional works of improvement prosecuted in connection with the 11 watershed programs authorized by the Flood Control Act of 1944. Section 4 is already applicable to such additional works, so that this provision of the House bill appears to represent the exercise of an overabundance of caution, and the Senate conferees therefore did not object to its inclusion in the conference substitute.

The House bill did have a provision increasing the maximum flood detention capacity for any structure in a project to 12,500 acre-feet, from the present maximum of 5,000 acre-feet. This provision is not in the conference substitute.

The present provisions in title I of the conference report relating to land use adjustment severely limit the scope and the size of the program from that envisioned in the original bill.

For example, long-term agreements with producers authorized under the Soil Conservation and Domestic Allotment Act, as amended, are limited to $10 million, whereas both the original bill and the House provisions of H.R. 12391 contained no such limitation. In effect, this would authorize only a so-called pilot program. As a matter of fact, the Secretary of Agriculture in his testimony befor the committee indicated that only a pilot program was intended under the authority requested.

Further, while the amendments to the Bankhead-Jones Farm Tenant Act, as proposed originally, authorized unlimited acquisition of lands, the conference report actually repeals this authority, and additionally limits any program under section 32 of the act to one of loans to local public organizations to carry out land utilization plans.

TITLE II—PUBLIC LAW 480

The conference substitute on Public Law 480 amendments provides for:

First. Sales of surplus agricultural commodities for dollars through the extension of long-term credit under agreements either with friendly nations or with the private trade.

The House bill did not limit agreements with the private trade to the sale of surplus commodities for shipment to underdeveloped countries, although the Senate bill did. The conference substitute follows the House bill in this respect.

In accepting this House provision the Senate conferees understood that sales under title IV are to carried out in conformity with the provisions of section 404 of the act, which directs the Secretary to maximize the sale of U.S. agricultural commodities, taking such reasonable precautions as he deems necessary to avoid replacing any sales which would otherwise be made for cash dollars. The objective of this provision is to maximize dollar sales and not to replace sales which would otherwise be made for cash. Agreements under this provision would, of course, be limited to agricultural commodities and products thereof which are surplus at the time of their exportation.

Second. The furnishing of credit security by the private trade under any agreement entered into.

The House accepted this Senate provision. In addition to reasonable security the conferees agreed that the required security would be adequate as well as reasonable.

Third. Donations to school lunch programs abroad.

The Senate conferees accepted this House amendment after requiring that commodities made available under section 416 of the Agricultural Act of 1949 would be accordance with the priorities established in that section. The Secretary would receive assurances that there would be student participation in the financing of the program on the basis of ability to pay.

LOANS AND MISCELLANEOUS

Title V of the substitute contains loan and miscellaneous provisions.

Both the House and Senate provided for Farmers Home Administration loans for recreational facilities, but the Senate version would have permitted real estate loans for such purposes to be made to

noncitizens, who had no previous farming experience, and owned or operated larger than family-size farms. The substitute adopts the citizenship, experience, and farm size qualifications of the House bill.

Provisions of the Senate amendment for sewer loans, an REA direct loan account, and congressional policy in the use of farmer cooperatives were objected to by the House conferees and have been omitted from the substitute.

The conference substitute retains the amendment of the Senator from Arkansas [Mr. FULBRIGHT] providing for loans to fish farmers; the amendment of the Senator from Minnesota [Mr. HUMPHREY] with respect to congressional policy on the use of normal trade channels by CCC; the amendment of the Senator from Michigan [Mr. HART] providing for advertising under cherry marketing orders; and the amendment of the Senator from Wisconsin [Mr. PROXMIRE] providing for making CCC feed available to milk producers to assure an adequate supply free from radioactive fallout contamination. This last provision, however, was limited in the conference substitute to the period prior to December 31, 1963.

Madam President, I have given an outline of what the conferees did. I am very hopeful that the Senate will vote in favor of the conference report.

Mr. AIKEN. Madam President, I yield myself up to 10 minutes.

I assume that the presence of six Senators in the Chamber and seven members of the press and radio in the gallery is indicative of the intense public interest in devising a new farm program. I recall that when I first came to the Senate, and for many years thereafter, up to about 1953, the presence of proposed farm legislation in this body would bring out about three-fourths of the Members of the Senate and 40 or 50 reporters of the news media, and there would be hardly an empty seat in the galleries. I interpret the situation today to be a testimonial to the great improvement that has been made in agriculture in the United States from 1953 to 1961, and an indication that the people are fairly well satisfied with the condition of our agricultural economy at the present time.

However, there are those who believe it is necessary to have a new farm program. They could not let well enough alone; they would not be content merely to amend or to correct the weak spots or to make the changes needed in existing programs as time went on. We have before us now pretty much the prelude to a complete revolution in farm programs in the United States.

The bill before the Senate is not all bad. I did not sign the conference report; neither did any of the other Members of the Senate on my side of the aisle, but the bill is not all bad. I believe that title I and title IV have much potential good in them. These are the titles which would authorize the Federal Government to make loans and grants to municipalities and public bodies and to farmers for the establishment of recreational areas.

I think title I would go far toward resolving the social conflict which still exists in some areas of the country, because it should be thoroughly understood that no loans or grants may be made to any community or any public body if that community or public body discriminates against any person because of his race, color, or creed.

Title IV provides that the Farmers' Home Administration may make loans to farmers for converting their land into recreational facilities. I believe these two titles are very good.

Title II relates to exports. I am not sure how that title will work. It will probably depend on the manner in which it is administered.

Title III, which changes the program for feed grains and wheat, is, in my opinion, very bad. I think that if it were not for the public apathy toward any farm program at all, title III would be ousted completely from the bill because of the public attitude. However, apparently the public is not aware of or is indifferent to the terms of title III. Ostensibly, the purpose of title III is to reduce the production of feed grains and wheat in the United States. It should be obvious by now that the real purpose of title III is to control the food supply of the United States; and the control of the food supply is the first step toward controlling the people, particularly the people of our great cities.

The excuse for controlling the food production of the United States and the supply of food is the contention that a burdensome surplus of feed grains and wheat exists in this country. In answer to that contention, I maintain that there is no burdensome surplus of feed grains and wheat in the United States. This answer is fully substantiated by the facts.

There has been a rather sharp decline in the production and supply of oats and barley during the past 2 years, and also a decrease in the production of sorghum.

Corn is easily the most important of the feed grains, so an analysis of the corn situation will give us a pretty good birdseye view of the feed grain position as a whole.

Last year we consumed in this country and sold for export 3,983 million bushels of corn. Last year we produced 3,624 million bushels of corn, thus reducing the available supply by about 350 million bushels. The New Frontier claims much credit for reducing the corn carryover by 350 million bushels in 1 years. What they neglect to tell us is that only 100 million bushels of this decrease was due to the almost $1 billion emergency feed grain program of 1961, while 250 million bushels of the reduction was due to increased feeding and exports of corn; and the corn we exported was exported for dollars, not for foreign currency.

This year—1962—it is estimated that the marketing and feeding of corn will be far in excess of what they were in 1961. The latest reports show that 4 percent more cattle are being fed this year than were being fed last year, and that the rate of feeding is 10 percent greater than it was 5 years ago.

The estimated carryover for October 1 of this year is 1,650 million bushels, or only about a 4- to 5-month supply at this year's increased rate of feeding.

Feed grains are now being used in this country at a rate in excess of our total production for the record years of 1959 and 1960. No one who exercises sound judgment can claim that a 4-month reserve supply of feed is a burdensome surplus.

I shall not discuss the wheat situation at length, except to say that a 10 or 11 months' supply of wheat exists in this country over and above the actual need. This supply is expected to be reduced for the coming year by reason of this year's reduced acreage.

I maintain that with the world situation as it is today, we ought not to permit our reserve supply of wheat to drop much below a year's supply. Our wheat supply has kept the countries of Asia and elsewhere in the world from "going over the hill" and joining the camp of the enemy. Wheat and our other surplus foods have been our most potent weapon in the cold war. So there is no burdensome supply of wheat and feed grains today in this country.

The next question is: If there were a big surplus, would the bill be effective in reducing it? The answer is that it would not be, because it would best pay the producer to reduce his planting the minimum of 20 percent rather than 45 percent, as many of them have done during the last year; for if he made a 20-percent reduction in planting, he would receive larger benefits upon his entire crop than he would if he reduced his production by 30 or 40 percent.

So if there were excess production and a burdensome surplus, the bill would not be the way to correct such a condition.

The next question is: Would the bill relieve any of the burden of the taxpayer? The answer is that the bill would probably double the cost to the taxpayer for feed grains during the coming year and increase the cost of the wheat program.

The PRESIDING OFFICER. The time of the Senator from Vermont has yielded to himself has expired.

Mr. AIKEN. Madam President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 additional minutes.

Mr. AIKEN. Madam President, the House of Representatives which the other day approved the conference report by a vote of 202 to 197, had been furnished false estimates of the cost of the present program, as compared with the cost of the program provided for in this report. I shall not go into that matter now, because I think other Senators will present those figures. But there would be a drastic increase in the cost. The last cost estimate I have seen for this year is $1,100 million for feed grains alone. The highest estimate I have seen comes to nearly $3 billion for feed grains and wheat. Somewhere between those two is probably the actual cost of the program for next year if the conference report is adopted; it all depends on whose pencil is used in arriving at the figures.

The next question is whether the present Secretary of Agriculture and his theoretical advisers have demonstrated their qualifications to control the farms of the United States. The answer is

that last year in a period of 8 months they demoralized the milk situation in the country and made it necessary for the Federal Government to change its position from holding no butter and cheese at all to holding up to several hundred million pounds of each of those commodities. They have nearly destroyed the cotton exports of the country, which, following enactment of the 1958 Act, increased to 7 million bales the first year and almost that amount the second. But under the first year of the new management, cotton exports dropped to a little less than 5 million bales; and for the first 2 months of this year, cotton exports are running only about 40 percent of what they were last year. Although we have recovered our cotton export market, with a great deal of difficulty, I feel that we are virtually going to lose our entire cotton export market within the next 2 years unless those in the Department of Agriculture change their administrative tactics.

The President has been speaking on the television and radio and also has been pleading through the press and by means of all other media of comunication for Congress to restore the cut the House made in the foreign-aid appropriations. The President asks us to restore the full $4,750 million of foreign-aid appropriations, yet he also asks us to authorize the expenditure of up to $3 billion to destroy the most potent weapon we possess in fighting the cold war today, which is our bountiful agricultural production and the fact that the United States has some agricultural commodity surpluses. It is hypocrisy compounded to insist that we increase the foreign-aid appropriation at the same time that the President is asking for authority to destroy the most potent weapon available to us in fighting the cold war. Unless we are planning to end the cold war against the Communist bloc, we should not accept the so-called compromise conference report which we are asked to adopt today.

Mr. ELLENDER. Madam President, will the Senator from Vermont yield for a slight correction? I am sure he did not intend to make an error.

Mr. AIKEN. I yield.

Mr. ELLENDER. The record shows that the emergency program in 1961 made it possible for the production of corn and sorghums to be 421 million bushels less than the year before, in 1960. The present emergency program for 1962 will, it is estimated, result in reducing the production of corn, sorghums, and barley 528 million bushels. But I contend that these emergency programs are entirely too expensive.

Mr. AIKEN. Madam President, I maintain that with the use and disappearance of corn and feed grains in this country increasing at the rate of approximately 300 million to 250 million bushels more a year, it is dangerous to continue any program which results in a reduction of the supply of feed grains to the extent of 300 million or 400 million bushels a year. That is the basis of my argument. We do not have a surplus; and it is dangerous to our national security and to the national economy to continue to reduce the production of food and feed grains.

Mr. ELLENDER. Madam President, will the Senator from Vermont yield again?

Mr. AIKEN. I yield.

Mr. ELLENDER. The Senator from Vermont is in favor of continuing the emergency program, is he not?

Mr. AIKEN. No. I voted aganst continuing the present program.

Mr. ELLENDER. Does the Senator from Vermont advocate no program at all for corn?

Mr. AIKEN. I am advocating the program we had, which we adopted in 1958 and which was working successfully, because today we are consuming more grain than was produced under the 1958 law.

Mr. ELLENDER. Then why does not the Senator from Vermont make a comparison with the figures for 1950? In that way he would make a better case.

The point is that in 1959 the production of corn, alone, was 3,824 million bushels. In 1960 it increased to 3,908 million bushels; and it is because of that increased production and a lack of consumption of the corn and other feed grains that the emergency programs were adopted.

Mr. AIKEN. But this country will consume or sell overseas more than 4 billion bushels of corn in the marketing year beginning this October 1.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HOLLAND. Madam President, I suggest the absence of a quorum.

Mr. ELLENDER. Madam President, I ask unanimous consent that the time required for the quorum call be charged equally to both sides.

Mr. AIKEN. Very well.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Madam President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Madam President, I yield 20 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Madam President, the conference report before the Senate is one of the most important legislative proposals considered in this session of Congress. It represents a basic revision of agricultural legislation and agricultural policy.

I commend the chairman of the Committee on Agriculture and Forestry, Senator ELLENDER, for his excellent work, not only in connection with the legislative program, but also in connection with this conference report. The Senator from Louisiana [Mr. ELLENDER] has led the fight not only once, but three times this year, in an effort to obtain a more constructive agricultural policy for our Government.

Because there has been so much confusion and emotionalism and, I regret to say, so much misinformation, either deliberately or innocently generated concerning the Agricultural Act of 1962, I should like to take a few moments to state factually what is and what is not in the bill, and what it will and will not do.

First of all, expressing a personal opinion, this is a good farm bill. It is constructive legislation. It is not perfect, by any means. But the conference report represents a reasonable, sensible, and constructive compromise. It is a giant step forward from what we would have had if the Congress had passed no farm bill at all, and permitted the present legislative policy to continue.

It is this background and this sharply defined alternative that we must consider when we vote on whether we want this program or want to return to the 1958 Farm Act, which has aggravated the farm problem rather than eased it.

The farm problem has begged solution for many years. This administration is committed to trying to solve it, if that is possible. But the solution is possible only if there is cooperation among us, only if there is a conscientious desire among us to solve it, and only if our judgment and vote are based on facts.

Emotionalism, partisan whip cracking, name calling, and blind obstruction will get us nowhere. The only ones who will really suffer from this kind of activity are the farmers themselves, rural America, and ultimately the entire Nation.

What about the bill itself? The bill has been explained in detail by the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] in his report to the Senate today.

Let me start with title III of the bill, which seems to be the most misunderstood section.

Title III provides for a 1-year extension of the voluntary feed grain and wheat programs which have been successful in reducing surpluses, raising farm income, and reducing the tax burden. This section also provides for a long-range wheat program—which I shall explain a little later—and an end to the feed grain program in the Agricultural Act of 1958.

I am sure I do not have to remind Senators that the voluntary wheat and feed grain programs have exceeded our highest expectations. The record shows it. Indeed, the support of so many Members of the Senate, and Members of the other body, on both sides of the aisle, shows it. Enthusiasm for the voluntary feed grain program seemed to grow week by week as we discussed proposed agricultural legislation. I heard resounding praise of the feed grain program from Senators on both sides of the aisle.

The 1961 feed grain program alone reduced Government stocks of corn by 400 million bushels—instead of adding to the surplus as would have been inevitable without the program. Taxpayers saved over $213 million in storage and interest charges. Net farm income rose more than $1 billion. This was the first rise in farm income since 1953. There is no doubt about it. That is a statistical fact reported by the Department of Agriculture, by the Federal Reserve Board, and by a number of other responsible bodies.

The long-range wheat program provided for in title III of this bill is the result of 6 years of effort to improve the wheat program.

A provision of the 1964 wheat program in the conference report would authorize the Secretary to permit wheat to be produced as a feed grain. The bill also provides price support at a level related to the world and the feed price of heat for that part of the crop not accompanied by wheat marketing certificates.

Use of the authority to produce wheat on feed grain acreage would be limited to years in which an acreage diversion program is in effect for feed grains. When such an acreage diversion program is in effect, it is expected the price support for corn and other feed grains would be approximately at the 1961 and 1962 levels—$1.20 per bushel for corn, for example. The appropriate price support level for wheat not accompanied by marketing certificates would be around $1.30 per bushel, when corn was at $1.20 per bushel. The figure of $1.30 can be looked upon as a practical minimum price support level for wheat not accompanied by marketing certificates.

If there is no acreage diversion program for feed grains in effect in 1964, and if the price support level for feed grains were to be set near the minimum of 50 percent of parity, the price support level for wheat not accompanied by marketing certificates would have to be related primarily to the world price of wheat, not to the level of price support for feed grains.

I think this point needs to be emphasized, because an attempt has been made throughout this country—my office is filled with letters of misrepresentation—to claim that the wheat price would be related to the 50 percent of parity price on feed grains in 1964 if there were no diversion program, rather than related to the world price for wheat.

The minimum price support for wheat not accompanied by marketing certificates would be $1.30 to $1.40. I would like to ask the Senator from Louisiana [Mr. ELLENDER], the chairman of the Agriculture and Forestry Committee, if I am not correct in this statement.

Mr. ELLENDER. The Senator is correct, particularly in respect to the world price. That must be given weight by the Secretary in fixing the price of wheat.

Mr. HUMPHREY. I thank the chairman. I might add, Madam President, that to make the assertion, in the first place, that the support level for feed grains would be set at or near 50 percent of parity is entirely unrealistic.

Mr. COOPER. Madam President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. COOPER. I should like to have this information for the RECORD, and for my enlightenment. I should like to have the judgment of the chairman of the committee on this also.

The conference report, on page 34, referring to price-support levels for corn after 1963, states:

> Conference agreed to—
>
> (1) Price support for corn at such level between 50 and 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks;

My question is, With the limitation, "as will not result in increasing Commodity Credit Corporation stocks," would the provision mean, in practice, that there could be no price support?

Mr. HUMPHREY. The language is quite clear, of course, that if the Congress of the United States should abdicate its responsibilities, if the Congress had no regard whatsoever for the producers of foodstuffs, the minimum price support of 50 percent of parity would be theoretically possible.

However, I expect that next year, as the chairman of the committee has made so clear in his presentation, and as has been made clear repeatedly in the debate, one of the first items of business of the Senate Committee on Agriculture and Forestry will be the feed-grain program.

Mr. COOPER. I understand.

Mr. HUMPHREY. Moreover, the Secretary of Agriculture says he will present a new feed grain program to the Congress.

Mr. COOPER. The basis for the provision is the surplus of corn today. Let us assume that in 1964 there is a surplus. Would it be possible for the Secretary to take any corn at all? To do so the Commodity Credit Corporation stocks would increase.

Mr. HUMPHREY. In 1964?

Mr. COOPER. Yes.

Mr. HUMPHREY. If there were a surplus?

Mr. COOPER. Yes. Then they could not take any corn.

Mr. HUMPHREY. I would say they could take corn, but would have to take it at the minimum.

Mr. COOPER. Suppose the price supports were to be set at 50 percent of parity, but that taking any corn would increase the stocks of the Commodity Credit Corporation. How could it be taken?

Mr. HUMPHREY. It cannot be less than 50 percent.

Mr. COOPER. I know, but there is another limitation.

Mr. HUMPHREY. Yes.

Mr. COOPER. It is that, at whatever figure corn is supported, it must be at such level as will not increase Commodity Credit Corporation stocks.

Mr. HUMPHREY. It was the view, I am sure, of those who prepared the report, in the light of the history of the debate on the whole question of price support levels, that the low support level would not result in increased surplus stocks.

More realistically, the whole purpose behind the repeal of the 1958 provision was to compel the Congress to come to its senses on a feed grain program. We cannot justify the 1958 provision, which permits the accumulation of untold amounts of goods in the Commodity Credit Corporation, and threatens the entire program.

I come from a corn producing State. I come from a rather substantial agricultural State. I have a goodly number of friends in the rural communities of Minnesota. They vote for me and support me because they trust me. They do not want an open-end support program. Our farm people are not asking for a "gravy train." They want a support program which is sensible, which is related to a balance of production. They are willing to take controls if there is a support program.

Mr. COOPER. Will the Senator yield for one moment?

Mr. HUMPHREY. I should like to complete this thought.

What we hope to do, what we plan to do, and what the Secretary said he will do, is present another feed grain program to the Congress, so there can be a realistic feed grain program and not one which accumulates surpluses. The purpose of the 50 to 90 percent support level is simply to bring Congress to its senses.

Mr. COOPER. I think the Senator has answered the question. The Senator will remember that in 1958 I supported him on his feed-grain amendment.

Mr. HUMPHREY. I agree. The Senator surely did.

Mr. COOPER. I think it was a proper amendment. If it had been adopted, we would not have had a program which led to lower prices and the unlimited production of corn.

The problem I see in regard to this proposal is that it could have the same effect. If in 1964 there should be a surplus, and if the Secretary could not accept corn, because doing so would increase CCC stocks, the support price would have no effect; unlimited production of corn would be dumped on the market. The basis for the price-support program is the ability of the Commodity Credit Corporation to take over and store corn. With this provision in the law, and the Secretary not able to accept corn, there would be no program. That is one point which I think ought to be understood.

I think the Senator has properly stated the purpose of the proposal, which really is to finally coerce the Congress into adopting a program which the Secretary of Agriculture has insisted is the only proper program.

I do not like the idea of coercion.

Mr. HUMPHREY. I say most respectfully it is not the purpose of this provision to coerce the Congress to adopt any program the Secretary may send to the Congress. It is the purpose of the provision to cause the Congress to face up to the problem of feed grain production, rather than to provide not a free ride, but the expensive ride of 1958.

The Secretary will present a program. To be frank with Senators, I hope the Secretary will present a somewhat different program than he did with relation to feed grains earlier this year. That is no secret. I do not think that program was the last word in the feed grains programs. I have said privately to the distinguished Senator from Kentucky [Mr. COOPER], for whom I have the greatest regard and respect, that I was not fully happy with the feed grain program. But it is the duty of the Congress to face the program rather than constantly talk about the costs of the farm program, many of which are built into

the action that was taken in 1958. I wish to bring that kind of program to a halt. I do not want to see a program which provides an 80-cent price support for corn.

If the Lord is willing, I shall be here next year. I intend to do what I can to see a more reasonable and sensible feed grain program developed.

I am not at all sure the so-called compulsory program is the kind of a program we ought to have. Frankly, I have been quite satisfied with the voluntary program we have had. It has worked pretty well.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. The Senator stated that the bill being acted upon today is a first step toward something. The administration will ask for another bill next January?

Mr. HUMPHREY. In relation to the feed grain section.

Mr. AIKEN. Will the Senator tell us what the ultimate objective of the program is? It seems a bit ominous to me. I hope that it is not as ominous as it appears to be.

Mr. HUMPHREY. May I say to the able Senator from Vermont, whose word on agriculture policy as well as on other subjects means a great deal, that the objective which the administration seeks, as I understand, and the objective which I shall try to help it seek if it is not their objective—and I think it is—is a better balance between production on the one hand and consumption of available supplies on the other. By that I mean we must have a carryover. We must have some reserve. We must plan for the unhappy day of a drought or weather conditions that might jeopardize our supply of feed grains. But we do not have to see whether or not we can accumulate everything people produce. What Mr. Freeman has suggested is a managed abundance. He has suggested a better balance between the supply of feed grains, on the one hand, and utilization on the other. I think this is his objective.

Mr. AIKEN. Will the Senator explain why it is necessary to reduce our abundance to what I consider to be an unsafe level before starting to operate under a managed abundance? What is the idea of reducing our production at this time when our consumption and exports are increasing so rapidly?

Mr. HUMPHREY. I say most respectfully that if the consumption and exports of our feed grains increase as much as the Senator from Vermont and the Senator from Minnesota would like them to increase, we will not cut back on our feed grain production.

Being realistic, what the Secretary has sought to do is, first, to say, "We have too much corn and wheat that qualifies as a feed grain and not as a wheat for purposes of baking or cereal purposes."

The Secretary has said, "We must see to it that those stocks are brought into better balance with world and domestic needs, the availability of commercial exports, and the availability of what we call soft currency exports."

That is what the Secretary of Agriculture is seeking to do. I do not say he has evolved the perfect solution to the problem. But he has faced the fact about which every Member of the Congress, with few exceptions, has complained for years—that the program has gotten out of hand. We have accumulated too much. Costs are outrunning the willingness of the public to pay them. And the condition does not help the farmer or the public.

I believe that now we must review the program, and do so continuously. Not only that, but we ought to have the kind of legislative program that will permit the Secretary and the farm producers to have a better balance in terms of production and utilization. I think we can.

I have thought that the voluntary feed grain program has been a good one. I think it is a good one. I do not say it is necessarily the final answer, because it is quite obvious we would like to review the program in terms of its cost and what it produces in results.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Madam President, will the Senator yield an additional 10 minutes?

Mr. ELLENDER. I yield 10 more minutes to the Senator from Minnesota.

Mr. HUMPHREY. Madam President, I have said in the past, and I repeat, that Secretary of Agriculture Freeman will not permit a return to the previous costly programs of guaranteed price supports and unlimited production. That is why the 1958 law is being amended. He will not permit programs which would place our farmers in a position worse than they are in now. He has stated he will come to the Congress next year and present a permanent feed grains program.

I wish to make clear that I am not endorsing ahead of time any particular type of program. I think that would be a mistake.

It is a mistake for farm organizations willingly to endorse some general suggestion of a program before they see its details. The Senator from Minnesota has so stated to some of the leaders of our farm organizations. He has said, "Let us examine the suggestion carefully. Let us not talk merely in terms of 'referendum,' 'mandatory,' and 'permanent' without knowing what those terms mean and what they ultimately would reflect in terms of legislative detail."

I assure Senators I shall approach the problem of proposed feed grains legislation with no previous commitments, no doctrinaire or dogmatic attitude, but on a very pragmatic basis, on the basis of whether or not a program will work and whether or not it will serve the interests of farmers in terms of price and the farmers' fair share of income, and will be of benefit to the taxpayer and the Federal Treasury.

Perhaps the 1963 feed grains program in the bill now before the Senate would provide a solid foundation for permanent voluntary feed grains legislation for the 1964 and subsequent crops. Whatever program the Secretary presents, I assure Senators it will be thoroughly discussed and refined in the Agriculture and Forestry Committee. I have never known that committee to be a rubber stamp for any Secretary or for any particular program. I served on the committee long enough to know that. The only thing that becomes rubbery about the committee is that one can be bounced around a great deal whenever he makes a presentation, because every member of the committee is as independent as he can be.

I am confident the Congress will look forward to receiving suggestions from the Department of Agriculture, from farm organizations, and from individual Senators, and then will refine and develop a program worthy of our consideration.

Questions have been raised with respect to the resale policies for wheat and feed grains under the conference report. In this connection I would like to quote from a letter to me from Secretary of Agriculture Freeman dated September 19, 1962. I inquired of the Secretary, after reading the conference report and after hearing about it, as to what the resale policies of the Department of Agriculture would be.

I ask unanimous consent to have printed at this point in the RECORD the full text of the letter dated September 19, 1962, addressed to me and signed by the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 19, 1962.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: In response to your inquiry concerning the resale policies for wheat and feed grains under the conference report on farm legislation, the legislation would provide the following:

The provisions of section 407 of the Agricultural Adjustment Act of 1949 providing for sales for unrestricted use from CCC stocks at 105 percent of the current price support, plus appropriate carrying charges, would apply to all noncertificated sales of wheat and feed grains. This would mean a sales price at a level 5 percent, plus carrying charges, above the applicable support level as provided for in the conference report.

The proposed legislation provides for redemption of the payment-in-kind certificates on both wheat and feed grains at not less than the loan rate—$1.02 per bushel national average for corn and $1.82 per bushel national average for wheat. This would apply when farmers or others ask for delivery of physical grain against the certificates as well as when they request the CCC to market the certificates in their behalf. It is anticipated that the certificated grain sales price would be determined regularly during the marketing year so as to provide for appropriate adjustments, taking into account reasonable carrying charges and normal seasonal price trends.

We trust this will clarify this matter for you and your constituents.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. HUMPHREY. In the second paragraph of his letter the Secretary said:

It is anticipated that the certificated grain sales price would be determined regularly during the marketing year so as to provide for appropriate adjustments, taking in-

to account reasonable carrying charges and normal seasonal price trends.

The letter states the CCC sales price will not only be 100 percent of the support level, but also that reasonable carrying charges will be included in the resale price. This is important, because we do not wish the Commodity Credit Corporation under the direction of the Secretary of Agriculture to dump supplies into the market and break what would be the normal market price in order to coerce, compel, or in some other way enforce its regulations.

We are going to have the same type of practice that has been included in legislation throughout the years.

Questions also have been raised concerning the price of wheat in 1964 under the marketing certificate program and the relationship of the price of wheat to the price of flour and bread. The argument was made that the bill puts a bread tax "on consumers" and that it would cost American consumers an additional $150 million to $200 million each year, compared with the present system.

This is an old argument. One would have to eat a great deal of bread to be affected, in the first place. But, at any rate, the argument is absolutely fictitious and in error.

These statements are not true, and are based upon a misunderstanding of the wheat provisions. This has been recognized by the millers and bakers of this country. Through their responsible organizations they have stated there is no cause for concern that the price of flour or bread would be increased as a result of the wheat marketing certificate program.

The Southwestern Miller of April 17 stated:

> The concern of the baking industry over the imposition of a bread tax through the certificate plan for wheat has been dispelled by action in both the House Committee on Agriculture and through assurances from the office of Secretary of Agriculture Freeman, it is indicated in a bulletin issued by the American Bakers Association.

The Secretary of Agriculture also has sent a letter to the chairman of the Wheat Subcommittee of the House Committee on Agriculture restating his assurance that the price support level under the marketing certificate program would be about the same level as for 1962—$2 per bushel.

Members of Congress ought to be aware also of the very distant relationship of the price of bread to the price of wheat. From 1947 to 1959 the retail price of a 1 pound loaf of bread rose from 12.5 to 21 cents. In that time the farm value of wheat in that loaf of bread declined from 3 to 2.4 cents.

In other words, as the price of wheat went down, the price of bread went up. So there does not seem to be any reason for believing that if the support price for wheat is $2 a bushel, the price of bread will go up.

The claim has been made that the proposed wheat program would add 1 cent to the price of a 1-pound loaf of bread. The facts are that the farm price of wheat would have to be increased to approximately $3 per bushel before a 1-cent increase in the price of bread could be justified on the basis of higher wheat prices.

Since no increase in wheat prices is indicated next year under the certificate program, claims that bread prices will be raised by this farm bill are in error.

Madam President, one of the great disappointments of this farm bill is that it contains no section on dairy products. This is unfortunate because of the seriousness of the dairy situation and the extremely critical situation of the dairy price support program and drop in dairy income.

Neither the dairy industry nor the Congress were able to meet the dairy problem this year. I introduced legislation in this area and so did many of my colleagues but, regrettably, we in the Congress were not able to agree on a satisfactory program.

I am encouraged, however, that a dairy program will be a priority item in the consideration of farm legislation next year. The chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], has indicated his intention to hold hearings on dairy legislation early next year. I know he shares my hope that we can provide much-needed help to our hard-working dairy farmers.

Dairy production is costly and demanding in time, resources, and managerial know-how. Dairy farmers need the sympathetic understanding and cooperation of their Government.

In 1960, the consumer expenditures for dairy products alone totaled $11.1 billion, and consumers paid about $3.8 billion for the meat produced from dairy cows and calves sold for meat. This adds up to total sales from dairying of approximately $14.9 billion. In other words, dairying is a $15 billion business—equal to or even surpassing steel.

There is no question that American farmers are the most productive and most efficient in the world. There is no question that American agriculture stands out in front of the rest of the American economy in improving its productive efficiency. Our farmers, during the past 10 years, increased their output per man-hour nearly three times as much as the average in our economy, and greatly improved the quality of that output at the same time they were stepping up the quantity.

But in spite of the fabulous job American farmers have done on their farms, their incomes have fallen while most other incomes have been rising. Dairy farmers are among the lowest paid of all. According to studies by Department of Agriculture specialists in farm management, typical dairy farmers in Minnesota with investments in their farming operations averaging $50,000 were able to earn only 49 cents per hour on their labor in 1960, when milk prices were about the same as today. This is characteristic of dairy farmers' returns in other sections also.

The blame for low farm income can be traced to what goes wrong with the farmer's business management after his product passes beyond the farmer's gate.

For one thing, the farmer, almost alone in our economy, has no bargaining power because he is unable, as an individual, to keep supply in reasonable balance with demand at a fair price. The result is that a tiny surplus of only 3 to 5 percent drives down the price of milk to unreasonable levels where the farmer cannot earn a decent living.

This administration believes farmers should have that power and the right to use it. We have worked ceaselessly with dairy farmers and their leaders in an effort to develop a satisfactory program whereby milk supply can be kept in balance with demand at reasonable prices. We still are trying and we shall continue to try.

There are few of us here who have any serious quarrel with titles I, II, and IV of this bill.

Title I broadens the conservation and lending authority of the Department of Agriculture to encourage diversion of lands—in other words, putting substance into the concept of land-use rather than land idleness.

Title II expands our donations to school-lunch programs abroad and expands the program under title IV of Public Law 480 providing for long-term credit sales, while reaffirming the intent of Congress that these sales would not conflict with dollar sales. The purpose is to stimulate the sale of surplus agricultural commodities for dollars abroad.

Title IV of the bill provides for certain constructive changes in the lending authority of the Farmers Home Administration. It adds "recreational uses and facilities" to the purposes for which real estate loans may be made or insured to owner-operators of not larger than family farms. It increases from $10 million to $25 million the aggregate of real estate loans which the Secretary may make out of the insurance fund to be sold and insured, which are on hand and not disposed of at any one time.

I submit that this is a good bill—a workable bill. It will increase farm income. It will bring production in line with consumption. It will reduce our surplus stockpiles. It will reduce the tax burden.

I say that because the evidence of the emergency programs prove it. It will enhance and expand our foreign disposal and export program. It will provide for orderly transition of present programs to the new program. It will reverse a policy of land-idleness to multiple land use. It will secure farm families on the land. It will provide new opportunities for rural America through the rural area development program.

Can any other program offer so much? I have seen no evidence from those who oppose this program that they have anything nearly as good. In fact, I have seen no farm program of theirs at all except to arbitrarily retire about 75 million acres of land, or a program that merely returns to the 1958 farm act which has been a sad failure. And I have heard that there are those who advocate no program whatsoever—a program based on the anarchy of the free market. Does anyone really want that?

I say we cannot, we must not abrogate our responsibilities to the farmers of this Nation by going home without passing this program.

All rural America will be affected by what we do or do not do with this bill. Not only farmers or small towns will be affected—the entire economy of the Nation will be helped or hurt if we pass or defeat this bill. Sixteen million off-farm jobs depend in large measure on what happens to agriculture; $200 billion is invested in agriculture—more than the entire assets of three-fourths of all our corporations. Agriculture is a sizable, major segment of our economy. Can we in all good faith go home and have nothing about the farm problem? I, for one, hope we do not.

Madam President, before I yield the floor I would like to ask some questions of the chairman of the Committee on Agriculture and Forestry.

It is my understanding that it was the intention of the Senate Committee on Agriculture and Forestry and the Congress in the Agricultural Act of 1961 to broaden the provisions of the Agricultural Marketing Agreement Act to include all commodities except the basic commodities where other legislation and programs are in operation and in addition, certain other selected commodities. All of these the Congress specifically excluded in the legislation either in the committee or on the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 3 more minutes to the Senator from Minnesota.

Mr. HUMPHREY. Is this not the understanding of the chairman of the intent of the committee and of the Senate?

Mr. ELLENDER. It is.

Mr. HUMPHREY. Therefore is it not the Chairman's understanding that in the Agricultural Act of 1961 it was the intent of the Committee on Agriculture and Forestry and the Congress to exclude from coverage under the Agricultural Agreement Act by specific provisions, under section (3) of subtitle D, all those agricultural commodities which we did not intend to include and make subject to the provisions and opportunities under the Agricultural Marketing Agreement Act?

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. Therefore is it not also the Senator's opinion that it was the intent of the committee and the Congress in last year's legislation to include all agricultural commodities which we did not specifically exclude and make them subject to the provisions of the Agricultural Marketing Agreement Act?

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. To clarify one more point I call attention to an amendment of mine which was adopted by the Senate on both occasions this year during consideration of agricultural legislation. This amendment states:

> It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other act administered by him, utilize the services and facilities of farmer-owned, farmer-managed associations of producers, and accord such associations no less favorable treatment under any such act than that accorded individual producers or farmers.

I notice in the bill as reported by the conference committee that this amendment is not included. I take it this was not made a part of the bill because it presently is the sense of the Congress that the Secretary of Agriculture act in accordance with the language of this amendment and that, therefore, the amendment is repetitious and is not needed. Is that correct?

Mr. ELLENDER. That was one of the reasons given. The House conferees objected to it because of some rumors from cooperatives that it might affect them adversely. Since the Commodity Credit Corporation's charter contains language very similar to that which was contained in the Senator's amendment, the Senate conferees receded.

Mr. HUMPHREY. I understand that. I have studied this subject and it is my view that the charter of the Commodity Credit Corporation, along with the existing program, would make the amendment unnecessary, even though I like to see these provisions enacted into statutory law.

Mr. AIKEN. I interpret the conference report to mean that there will be no discrimination against farm cooperatives in carrying out this entire program.

Mr. HUMPHREY. That is my understanding.

Mr. AIKEN. I have heard rumors, but they came from the other side of the fence, from those who would like to see farm cooperatives weakened or put out of business. We ought to make it clear that this language is intended to mean that there shall be no discrimination against farm cooperatives in the handling of Government commodities or in carrying out Government programs. Is that the understanding of the Senator from Louisiana?

Mr. ELLENDER. I recall that the House conferees indicated in the conference that the opposition came from the cooperatives. Why, I do not know.

Mr. AIKEN. No.

Mr. HUMPHREY. No.

Mr. ELLENDER. That was my understanding. At any rate, as I said, because the conferees concluded that the language added by the Senator from Minnesota was already in the law and that the practices were already being carried out, it was decided that the Senate conferees would recede.

Mr. AIKEN. I am very sorry that the amendment of the Senator from Minnesota has been eliminated, because when an amendment is offered and is adopted, and then when the amendment is thrown out, even if the contention is made that the purpose of the amendment is already covered by the law and is therefore unnecessary, the impression is given that that is not the intention or the understanding. I wish to say here and now that I believe, so far as the Senate is concerned, it is definitely the intention that there shall be no discrimination against farm cooperatives or against farmer-owned operations.

Mr. HUMPHREY. That is my understanding. I gather from these remarks that the understanding is that there will be no discrimination.

Mr. ELLENDER. That contention is borne out by the fact that the Senate adopted the provision offered by the Senator from Minnesota. I am merely saying, by way of repetition, that it is not only in the law already, but the reason given by Mr. Cooley was that the rumors came from the cooperatives. Whether or not that is true, I do not know.

Mr. HUMPHREY. If that is the case, they were in error. At any rate, the matter has been fully explained by the Senator from Vermont and by this discussion.

The Senate adopted it unanimously. It does not provide any favoritism; it merely provides that there shall be no discrimination.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ELLENDER. I yield the Senator 5 more minutes.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG of North Dakota. As one of the Senate conferees, it was my understanding that the only reason why the amendment was deleted was that it was felt that the same language was contained in the charter of the Commodity Credit Corporation. There was no intention whatsoever to discriminate against cooperatives; in fact, it was desired to protect them.

Mr. HUMPHREY. I thank the Senator from North Dakota.

Mr. ELLENDER. There is no doubt that that was the position of the Senate conferees. There is no question about it.

Mr. HUMPHREY. I thank the Senator from Louisiana and the Senator from North Dakota.

Mr. LAUSCHE. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Of course.

Mr. LAUSCHE. The Senator described the good that will result from the bill. He said it would provide relief to the taxpayers; that it would reduce surpluses; that it would be helpful to the farmers and would be in the interest of the country generally.

The Senator also said that in 1963 the Secretary of Agriculture would submit to Congress a permanent program, one which probably ought to be adopted.

My question is: If the program provided in the bill is as good as the Senator from Minnesota has described it to be, why will a new program be needed in 1963?

Mr. HUMPHREY. At the beginning of my remarks, I said I did not consider this program to be anywhere nearly perfect. I said it was compromise legislation, but that I thought it was an improvement.

I said that although we are expanding the voluntary feed-grain program—which, by the way, makes a great deal of sense to me, and I wish to go on record as saying that I like it—and while we are expanding the wheat program, it was understood that in 1963 the Secretary

would present additional recommendations for a feed-grain program. I did not say I would support those recommendations. I think the RECORD is clear that I said I would consider them objectively. I do not want to be committed. I said I would not take a dogmatic approach; that I have serious doubts about certain aspects of the feed-grain program that was presented earlier this year and that next year Congress would have to work its will on what would be not merely an emergency feed-grain program, but a permanent type of program. I hope it may be as good as the present voluntary program, and even better.

Mr. LAUSCHE. The Senator from Minnesota further said that a voluntary program might be evolved in the 1963 program.

Mr. HUMPHREY. That is correct.

Mr. LAUSCHE. Does that mean that the Senator looks toward a voluntary program rather than a mandatory program having severe provisions, limiting the freedom of the farmer?

Mr. HUMPHREY. Speaking for the Senator from Minnesota, I should prefer that; but I do not know what will happen in determining the will of the Senate. I do not even know what the Secretary will present. But I have a feeling, in the light of some argument over the feed-grain programs, that he is giving the situation a second look.

Mr. AIKEN. Will that not depend on the will of the public on November 6?

Mr. HUMPHREY. The Senator from Vermont is correct. I thought I would like to keep that happy moment out of the discussion.

Mr. AIKEN. I thought I would try to interpret what was in the Senator's mind.

Mr. HUMPHREY. The Senator from Vermont is always helpful. I thank him.

Mr. JOHNSTON. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON. Is it not true that having found ourselves in such a plight, with so large an amount of surplus on hand, it is impossible at this time to do what most of us would like to do?

Mr. HUMPHREY. The Senator is exactly correct.

Mr. JOHNSTON. That is where the trouble lies at this time. We must consider the farm situation from that standpoint in order to understand exactly what we are doing now.

Mr. HUMPHREY. I thank the Senator.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared relating to the effect of the 1963 feed-grain program on a midwestern farm.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE 1963 FEED-GRAIN PROGRAM ON A MIDWESTERN FARM

This describes the situation of a 200-acre farm in the Midwest producing corn, soybeans, and livestock:

	Noncooperator		Cooperator in 1963	
Crop acres and yield:	*Acres*	*Bushels*	*Acres*	*Bushels*
Corn	100	60	70	61
Soybeans	50	25	50	25
Pasture	50	--------	50	--------
Diverted acreage	------	--------	30	--------
Production:				
Corn	------	6,000	------	4,270
Soybeans	------	750	------	750
Returns:				
Corn sales	------	$6,000	------	$4,355
Soybean sales	------	1,690	------	1,690
Price support in kind (18 cents per bushel on 4,200 bushels normal production on 70 acres)	------	--------	------	758
Diversion payment (60 cents per bushel on 1,800 bushels normal production on 30 acres)	------	--------	------	1,080
Total	------	7,690	------	7,883

This farmer would have an advantage of about $200 from participating. In addition, of course, he would have lower production expenses. He would probably receive half his diversion payment when he agreed to participate early in 1963. The other half would be paid after harvest in the fall of 1963.

Price support to the cooperator would involve a loan on all or a part of the crop handled in the regular manner familiar to all farms, and a payment-in-kind on the normal production on 70 acres. It would be contingent on compliance, and would be made after compliance is checked. The farmer could accept grain from CCC; he could accept a certificate which he would sell; or he could receive cash an let CCC market the grain.

Mr. HUMPHREY. Madam President, I yield the floor.

Mr. ELLENDER. Madam President, I suggest the absence of a quorum; and I ask unanimous consent that the time consumed for the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Madam President, I yield 10 minutes to the senior Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. HICKENLOOPER. Madam President, at the outset I wish to say that the major features of this measure which affect the agricultural program have their impact primarily on the feed grains sections and the wheat sections of this country; and I think it is one of the most ominous and dangerous measures for the overall, long-range good of agriculture and a sound agricultural program that I have ever seen proposed.

I wish to speak briefly about the pending measure, and I shall point out why I think it is dangerous.

In the spring of 1961 the Congress got its first look at the agricultural proposals of the Kennedy administration.

To those of us seeking to: First, strengthen the market system; second, reduce Government regulation of individual farming operations; third, preserve the opportunity of farmers to adjust to changing conditions; fourth, expand domestic and foreign markets; and fifth, increase per family net farm income, the Cochrane-Freeman plan came as a shocking disappointment.

In contrast to what I believe in and support, the administration's 1961 proposals called for a major extension of Government efforts to fix farm prices and restrict or ration the right to produce farm products in keeping with a theory described as supply-management. Worse still, these proposals by the executive branch of the Government called upon the Congress to abdicate its constitutional responsibility to determine governmental policy, and, instead, would have turned this responsibility as it relates to Government farm policy over to the Secretary of Agriculture and the controllers who surround him. Fortunately for farmers and ranchers, and for America, the Congress said no to this brazen bid for power to control American agriculture.

The basic difference between the administration's 1962 proposals and those presented last year is simply that this year's proposals spell out the details of certain commodity programs for which general enabling authority was requested last year. When the Congress understood what really was involved in what was being proposed in the way of Government controls on the producers of feed grains and dairy products, the Congress again flatly rejected the control schemes proposed.

I should like to interrupt the chronology of this statement by referring to a highly significant news story which appeared about a year ago. The article indicated that—

Kennedy administration planners are quietly abandoning hopes of bringing off a revolution in Government management of agriculture.

Instead, they're inclined to let time, fuzz, and mirrors slowly accomplish their basic objectives.

I read further from the same article:

So, for the present, these officials reason it's politically necessary to "fuzz things up." For several years, they'd settle for stopgap, compromise crop-by-crop production controls headed toward their long-range goals, and they'd disguise increased farm income assistance by doling out more money little by little in a variety of ways under a variety of titles.

"Maybe it'll have to be done with mirrors," remarks an aid to farm boss Freeman.

I call this to the attention of the Senate because this newspaper article of a year ago describes more accurately what has happened and what is happening today in this field than anything I have seen written in the intervening period.

Let us take a look at all three counts.

First, time has elapsed—1 year of it; and probably some have forgotten the shameful assault on constitutional government involved in the original Cochrane-Freeman proposal; however, I can assure you that Iowa farmers will not soon forget it.

Secondly, things are "fuzzed up"—that is for sure. In the spring of 1961 the supply and demand for soybeans were reasonably in balance. The market system was working. Soybean producers were content to leave "well enough" alone. But not Mr. Freeman. He raised the price support on soybeans from $1.85 to $2.30 per bushel. Soybean output increased from 555 million bushels in 1960 to a record crop of 703 million bushels scheduled for 1962 harvest.

But that is not the worst of it. Price supports on cottonseed and butter were raised, too—with the net result that the U.S. carryover of edible fats and oils this year will total 2.2 billion pounds, which is 50 percent more than last year, and is a new record.

Madam President, what do you suppose the next move will be? I doubt that one needs a crystal ball to figure it out. The answer, of course, is "supply-management." Wrong Government policy creates a surplus problem that did not exist before; and then the controllers propose more Government intervention in order to deal with the difficulties which could have been avoided in the first place.

In nautical terms—which seem to have a certain currency these days—what the administration has done recently to many farmers is somewhat like shoving an innocent man overboard and then trying to get a hero badge for throwing the victim a lifeline. It is actually worse than that, because these Government control schemes actually are more akin to an anchor than a lifeline.

Third, mirrors are being used to delude American taxpayers into thinking they are getting their money's worth out of certain of these Government farm programs, when they are not. Mirrors have been used to juggle the statistics with respect to the cost of the emergency feed-grain program, and they are now being used in efforts to mislead Members of the Senate into thinking that H.R. 12391 will cut the cost to taxpayers.

Some may wonder why a U.S. Senator from the No. 1 corn State should question these expenditures, since many of his constituents will be on the receiving end of these feed-grain subsidies. Let me state a few of the reasons why the citizens of Iowa oppose H.R. 12391.

First. It will take more than "mirrors" to justify the expenditures provided for in the 1963 wheat and feed-grain programs. All Iowans, including farmers, are taxpayers. They want to get a dollar return for every dollar they spend; and they know double payments for anything is wrong, especially when one of the payments is of the compensatory payment variety, which Iowa farmers have consistently opposed over the years.

Second. Iowa farmers are concerned about agriculture's public relations, and they know the proposed 1963 program will give farmers a "black eye" with the public. Who is going to defend spending $1.8 billion a year for not growing feed grains?

Third. Iowa farmers are not easily fooled. Therefore, they understand that the double payment provided in 1963 is not the "wave of the future" but, instead, is merely the bait in the trap.

The trap in this instance has a double spring, the kind used when going for big game.

On the one hand, the provision of the 1958 law relating price supports on feed grains to the market is repealed, and in its place the Congress would authorize the Secretary of Agriculture to establish such supports between 50 and 90 percent of parity. The proponents of this provision apparently intend that it be used to lower price supports on corn, for example, to 80 cents per bushel, with the hope that the prospect of such a drop will scare midwestern farmers into the snare of compulsory controls and all that goes with them.

This is a ruthless and calloused political move. No wonder the administration wants to camouflage it with a lush looking program in 1963. After all, a condemned man gets at least one good meal before his execution.

Mr. AIKEN. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. The Senator from Iowa might point out that the price support level within the 50 to 90 percent of parity support range would be applied to corn, so as to make it unnecessary for the Government to acquire any surplus which might be produced. That inevitably would mean that the support price would be 50 percent of parity, or 80 cents a bushel, because if it were 90 percent of parity, that would encourage overproduction of corn, and would be a level that would result in acquisition of more Government stocks. So the proposed program is a mess.

Mr. HICKENLOOPER. The Senator from Vermont is accurate and right, as he almost invariably is on agricultural matters.

Mr. AIKEN. They might as well have provided the 50-percent price support and left out the rest of the language.

Mr. HICKENLOOPER. Reading the law as it would be, as written in the conference report, I fail to see how they can put on 50-percent price supports if they honestly and conscientiously follow the law, because as it reads, they could not put on any supports at all if it would contribute to the CCC stocks.

Mr. AIKEN. And if they have to buy any of them.

Mr. HICKENLOOPER. If they have to buy any of them.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. May I have 5 more minutes?

Mr. AIKEN. I yield another 5 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. However, I am not persuaded that the law as it is written will be meticulously followed, political expediency will probably govern.

Mr. AIKEN. I point out that there has been no precedent in the past 2 years for doing so.

Mr. HICKENLOOPER. That is correct. There is no indication that the law will be meticulously followed.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. The Senator has stated that we might be wondering why he is opposing the bill in face of the fact that many corn producers in his State would be benefited by the first year of the operation of the law. Will the Senator point out how that would be so?

Mr. HICKENLOOPER. Because they have put bait on the trap for 1963 in order to encourage acceptance of the report, and the bait on the trap is an increase, in a substantial amount, of payment for retired acres. The way it will work, nobody knows, but there will be an increase. I think the increase will be out of all proportion to the real value, and in the long run it will injure agriculture and give agriculture a black eye and result even in some claims that the beneficiaries are Treasury looters.

Mr. LAUSCHE. What is the purpose of the 18 cents a bushel? Is that to induce producers to enter the program?

Mr. HICKENLOOPER. That is part of the bait on the trap. That applies to all the corn the complier grows——

Mr. ELLENDER. Madam President, if the Senator will yield, is it not a fact that the price support for corn is $1.20, the same for next year as this year?

Mr. HICKENLOOPER. No. It is $1.02 plus 18 cents——

Mr. ELLENDER. That is $1.20; is it not?

Mr. HICKENLOOPER. No. The 18 cents is to be paid in kind.

Mr. ELLENDER. The farmer will get the same next year as he gets this year. That is $1.20 a bushel, paid in two different ways.

Mr. HICKENLOOPER. It is a cleverly, and almost diabolically, conceived program to bait this trap for 1963, and the guillotine will fall on the farm program in 1964, when supports drop to 80 cents. See what happens to the plan then.

Mr. ELLENDER. I suggest that the Senator should have been one of the conferees. I was in the conference, and I tell the Senator there was no politics in it. The amount of support the farmer will be paid next year will be the same as he received this year. The only difference is that this year he got the price support of $1.20 by way of loan and purchase, and next year he will get a loan of $1.02 and 18 cents in kind.

Mr. HICKENLOOPER. Plus a great deal more "sugar on the plate" in the way of contributions, as we can bring out later.

Mr. ELLENDER. That suggestion was made by a Republican conferee from the House, and we accepted it.

Mr. HICKENLOOPER. I do not know who made it. I was not on the conference committee. I do not know who made it; I do not care who made it.

Mr. ELLENDER. It was Representative QUIE, from the State of Minnesota.

Mr. HICKENLOOPER. He did not sign the report.

Mr. ELLENDER. No; he did not. I did not expect him to do so.

Mr. HICKENLOOPER. I take the Senator's word. I am not doubting the Senator's word on anything he has told me. He has always been honest and honorable. I am not questioning the Senator's word. The only suggestion I make is that the Member of the House to whom the Senator has referred did not sign and approve the report.

I now continue with my statement.

On the other hand, the multiple price "certificate" plan for wheat could jeopardize still further interests of the producers of feed grains, livestock, dairy and poultry.

This bill contains the latest and most unworkable version of the costly multiple price plan for wheat. The proposed plan is by far the most objectionable version of any multiple price plan that has been considered by the Senate since I have been here.

There are many reasons why the multiple price wheat plan in H.R. 12391 would be bad for farmers, consumers, taxpayers, and for our international relations. I will list and briefly discuss some of these reasons.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. I ask for another 5 minutes.

Mr. AIKEN. I yield 5 more minutes to the Senator from Iowa.

Mr. HICKENLOOPER. This multiple price wheat plan if enacted into law would:

First. Guarantee a shortage of needed types of wheat production for the future—because it proposes to cut back arbitrarily the acreage of all wheat producers the same percentage even though the type of wheat some producers grow may be in short supply. I realize the Secretary is given some administrative discretion, to try to avoid this pitfall; however, as a practical matter he could not and would not.

Second. Insure that growers of poor quality milling wheat will continue to produce in excess of market demand—because they, too, will get their certificates on a pro rata basis. Thus we will continue to pile up unwanted wheat.

Third. Permits all export wheat—including Public Law 480 and other giveaway wheat—to be included in the primary market, along with domestic food wheat. This is an insult to the intelligence of American taxpayers. This move is an inexcusable affront to those who would like to see an honest, fair, and reasonable program worked out for wheat that has some hope of solving the surplus problem.

Fourth. Be most unfair to feed grain growers and will lower returns to all livestock, dairy, and poultry producers—because of its Government-rigged pricing mechanism, authorizing a high price for all domestic food and export wheat (including giveaway wheat) and a feed price for all the surplus. It is unfair because it permits, by Government rigging of prices, a high net blend price for wheat and the consequent dumping of feed wheat on a subsidized basis, in an already glutted feed grain market. Feed grain growers have always been willing to compete with wheat growers on a basis of comparable rules, but never on a basis of a "stacked deck." This kind of a dumping operation would disrupt feed grain-livestock ratios and lower the returns to all livestock, dairy, and poultry producers.

Fifth. Raise the price of flour and bread to consumers. The proponents of the bill say the increase in cost of a sack of flour or a loaf of bread will be small, whereas the users of flour, including the bakers, say it will be considerable. My judgment would be that the users of flour and bakers of bread are in a much better position to know what the effect on costs in their operations would be. I am confident that the consumers of flour and bread—many in the lower income brackets—will resent their Government's being a party to a rigged program that will increase their basic food costs through a flour or bread tax, even if it is only one cent on a loaf of bread.

Sixth. Permit unparalleled discretionary authority to be exercised by the Secretary. If Senators have any question about this, read the bill carefully and count the number of important areas where the Secretary is granted almost unlimited authority. No industry as important as the wheat industry is should be subject to the possibility of a Secretary of Agriculture making political decisions that might be unwise for the whole future of the industry.

Seventh. Cause serious international complications. I am greatly concerned about our international balance-of-payments problems and about potential Common Market restrictions on U.S. exports, particularly agricultural exports. But how can we expect to put into effect the discriminatory multiple price plan for wheat and not have repercussions—not only in the Common Market countries, but also in other exporting competitor countries, such as Canada and Australia.

Eighth. Provide by means of so-called certificates a complicated and little understood plan. It really is a processing tax done up in a new sack. Farmers and others interested in wheat will resist this program because of its complications, uncertainties, and added costs. Bootlegging will be on its way back, not in bottles and jugs, but in sacks and bulk. Whenever the opportunity for a "quick buck" is available, we will always find some takers. As proof of the basis for my concern in this regard, just look at the penalty provisions the proponents have written into the bill. Even with these penalty provisions, the door would be wide open for Estes-type scandals when people start dealing in "certificates."

Ninth. Finally, and most important, this multiple-price wheat plan would not solve the wheat-surplus problem. Furthermore, it would create many new areas of confusion in the entire wheat industry.

The one saving grace about this inequitous multiple-price plan is the probability that it would be rejected by producers in a referendum.

Most Members of the Senate realize that earlier in this session I introduced a bill, S. 2822, along with the Senator from Utah [Mr. BENNETT] and the Senator from Iowa [Mr. MILLER], known as the cropland retirement program. This bill, if enacted into law, would move further in the direction of freedom for individual farmers to make their own decisions in what they plant on their crop acres. It would relate support prices to recent average market prices and would help eliminate much of the cost of current farm programs. In my judgment, such action, together with an extension of the expiring conservation reserve contracts, would help us on our way to a solution of the feed-grain and wheat-surplus problem. Furthermore, in my opinion, it would go a long way toward solving our problems in the whole agricultural field.

Madam President, I ask unanimous consent to have printed in the RECORD at this point a table showing corn production and the amount placed under loan by States, 1959, 1960, and 1961. The statistics, I believe, are as of June 1. There may have been some alteration of the statistics between June 1 and September 1, but I do not have those with me at this time. These figures are subject to correction, as the official figures may be shown at a later date.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corn: Production [1] and amount placed under loan [2] by State, 1959–61

[In thousands of bushels]

	Corn, grain, 1959		Corn, grain, 1960		Corn, grain, 1961	
	Production	Under loan	Production	Under loan	Production	Under loan [3]
Alabama	46,982	173	44,330	125	48,335	62
Alaska						
Arizona	385		346		360	
Arkansas	12,160	48	9,608	66	8,449	12
California	11,857	466	9,360	305	7,776	57
Colorado	15,606	669	12,926	686	12,204	894
Connecticut	198		201		132	
Delaware	7,650	81	9,362	120	7,378	89
Florida	8,502	9	8,903	139	9,636	180
Georgia	58,077	412	62,312	1,218	65,800	1,150
Hawaii						
Idaho	1,888	40	1,533	73	1,817	
Illinois	655,863	80,188	678,980	90,308	638,176	135,167
Indiana	315,688	27,546	350,336	30,963	308,802	31,945
Iowa	789,035	168,267	772,541	180,364	747,252	171,566
Kansas	72,660	14,031	78,488	18,721	58,800	10,290
Kentucky	76,005	3,152	73,392	1,944	61,380	1,090
Louisiana	12,183	2,176	9,126	22	9,879	6
Maine						
Maryland	22,508	232	25,500	272	22,140	118
Massachusetts	189		128		124	
Michigan	98,268	6,378	90,882	7,310	101,864	6,430
Minnesota	303,960	39,226	315,630	45,413	324,242	58,082
Mississippi	35,898	231	26,877	102	34,515	87
Missouri	214,438	24,770	210,132	25,147	175,398	20,156
Montana	192		144		174	
Nebraska	318,063	91,998	333,438	122,456	279,439	96,642
Nevada						
New Hampshire						
New Jersey	7,770	103	7,668	103	5,772	74
New Mexico	660		663		525	11
New York	12,710	215	11,816	151	11,403	144
North Carolina	76,356	595	84,000	797	67,200	626
North Dakota	7,280	984	8,932	1,124	5,148	899
Ohio	219,625	14,528	230,044	13,459	187,738	12,424
Oklahoma	6,592	62	6,901	95	5,390	10
Oregon	1,965	133	2,277	94	1,632	25
Pennsylvania	57,120	173	58,149	137	59,965	78
Rhode Island						
South Carolina	19,370	293	23,010	591	20,055	232
South Dakota	62,200	6,586	119,910	17,245	100,046	14,124
Tennessee	55,068	261	52,806	125	45,408	132
Texas	40,068	137	27,522	77	31,890	842
Utah	328	443	180		192	
Vermont	63		62		60	
Virginia	30,038	95	30,723	128	28,885	80
Washington	5,063	777	4,316	893	2,975	152
West Virginia	5,437	12	5,096	19	4,240	8
Wisconsin	137,385	2,796	108,500	1,928	120,377	2,058
Wyoming	1,243	18	1,020	9	1,340	15
Total	3,824,598	488,304	3,908,070	562,729	3,624,313	565,957

[1] Source: "Crop Production, Annual Summary," USDA.
[2] Source: "Report of Financial Condition and Operation, CCC," USDA.
[3] As of May 31, 1962.

Mr. ELLENDER. Madam President, I yield 5 minutes to the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. The Senator from South Carolina may proceed for 5 minutes.

Mr. JOHNSTON. Madam President, I think all Senators agree that the farm program has gotten into a terrible mess. I do not think anyone can dispute that fact today. Why it has gotten into that condition might be answered in a great many different ways by various people. Personally, I feel it has gotten into that condition because we have offered price supports and have provided very few controls. That being so, a tremendous surplus has been built up in the United States.

Madam President, it has been apparent for a good while that some action should be taken to reduce the excess Government stocks of wheat and feed grains, to reduce the costs of the Government programs for these products, and to put the producers of those commodities back in position of producing for the market at a fair price. Before the so-called feed-grain and wheat program went into effect the Government had accumulated about 3 billion bushels of feed grains valued at $3½ billion and 1.4 billion bushels of wheat valued at $2.7 billion. These tremendous stocks of commodities, which were neither needed nor desirable, were accumulated under the programs which were in effect in the 1950's. Under these programs feed-grain producers were guaranteed high Government price supports without any limitation whatsoever on production. That has gotten us into a great deal of trouble, in my estimation.

For some reason or other feed-grain producers were not treated like the tobacco producers, or the cotton producers, or the peanut producers, who were required to cut their acreage in order to receive price supports.

It is a known fact today that the tobacco program does not cost the Government anything, though there are 90 percent of parity price supports. Cotton is not supported at such a high percentage, but with the controls provided the cotton program is costing very little today under the program in existence.

These facts show to me, and I think they should show to others, the controls are needed if we are to give high price supports for various commodities which the farmers grow.

In the case of wheat the one factor most responsible for accumulation of the excess stock in Government hands was the 55 million acre minimum national allotment which was placed in the law in 1958. At that time yields were about 13.2 bushels per acre. By 1961 yields had about doubled, but the minimum national allotment still remained in effect. The 1962 wheat program will make a small dent in the surplus stocks of wheat. The 1961 and 1962 feed grain programs, on a high cost emergency basis, have begun the downward movement in feed grain stocks, I am glad to say. But the supply situation for both of these commodities is still very burdensome.

This is burdensome for the Government and burdensome for the people, who must pay for the storage now being provided by the Government.

The conference substitute is designed to relieve both of these situations.

In the case of feed grains, it has not been possible to obtain legislation to control production. The only remaining alternative available to reduce the cost of the program is a reduction in the support price.

The PRESIDING OFFICER (Mr. METCALF in the chair). The time of the Senator from South Carolina has expired.

Mr. ELLENDER. Mr. President, I yield 3 more minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina may proceed for 3 additional minutes.

Mr. JOHNSTON. Mr. President, the conference substitute therefore provides for a support level which will not result in increasing Government stocks. The conference substitute provides a minimum support level of 50 percent of parity, far above the zero minimum provided by the Senate amendment but slightly below the 65 percent minimum of existing law.

In the case of wheat, the conference substitute provides for effective controls. In lieu of the present 55 million acre minimum national allotment, the substitute provides for a billion bushel minimum quota, and for its translation in a realistic way into an acreage allotment which is based on expected yields and is designed to result in production of the amount of the quota. In addition, the wheat marketing allocation program offers the Secretary a further opportunity to regulate the amount of wheat moving into primary and secondary uses.

Last, I want it clearly understood that under no conditions can controls be imposed upon feed growers under the conference substitute.

Feed grain producers will still be able to produce all they wish to produce. But the support prices have been reduced. I hope that by virtue of that program we will get rid of some of the surplus we have on hand today.

Mr. AIKEN. Mr. President, I yield 15 minutes to the Senator from North Dakota [Mr. YOUNG], and additional time if he wishes it.

Mr. YOUNG of North Dakota. Mr. President, it is with considerable reluctance that I must oppose the adoption of the conference report on the omnibus farm bill. This legislation represents a lot of hard work on the part of the Senate Agriculture Committee and its distinguished chairman, my good friend

the Senator from Louisiana [Mr. ELLENDER]. He is a friend of agriculture and I know that he tried his best to get needed corrective farm legislation. He was faced with many problems, some of which I shall deal with in my brief remarks.

Mr. President, the omnibus farm bill now before the Senate has many bad features which far outweigh the good provisions of the bill.

However, I do not agree with changes made on the floor here that the bill would result in a higher cost of bread to consumers. That is not true. It would not mean higher wheat prices. It is also not true that corn would be placed in an unfair competitive position with wheat. That is not true. The bill is a compromise—though not a good one—of the two conflicting farm bills passed by the House and Senate.

Defeat of the conference report would mean that the House-Senate conferees would still have another opportunity to write a better bill. If it is defeated and no further action is taken, I believe it would be better than to approve the pending legislation.

We would still have in effect the 1958 Feed Grain Act and, for wheat, the Anderson Act of 1949 which is the program approved by farmers in this year's wheat referendum.

This omnibus farm bill has traveled a rocky road since it was first considered by Congress in January. The House of Representatives earlier this year defeated its own farm bill worked out by its Agriculture Committee, and then defeated the Senate's first omnibus farm bill.

Following this, the House passed a bill containing an extension of the present voluntary wheat and feed grain programs now in effect for 1962 with some modifications. It has some other very bad provisions. A particularly objectionable one was that which deals with price supports for feed grains.

Commencing with 1964 the bill provided price supports for feed grains at 80 percent of the cash price received during the previous 3-year period. This provision would have dropped price supports for corn, under this bill, from the present $1.20 a bushel to approximately 83 cents a bushel and lower in succeeding years. Since other feed grains price supports are based on their feed value equivalent with corn, this would mean a corresponding drop in price supports for all other feed grains.

About 2 months ago the Senate Agriculture Committee approved its second omnibus farm bill, but there was a long delay in its consideration by the Senate. At least a month of this costly delay was caused by the filibuster on the communications satellite legislation.

This farm bill contained some good provisions but many very bad ones. One of the most objectionable was the one that would have lowered the present mandatory price supports for corn from 65 to 90 percent of parity to 0 to 90 percent of parity.

The House-Senate conference committee in resolving the differences between the House- and Senate-passed bills made many changes, but on the whole I believe the compromise omnibus farm bill as now contained in the Senate-House conference report still has many very objectionable features. Briefly, the major objectionable provisions are—

First. The proposed legislation would mean the most severe production controls ever imposed upon wheat farmers.

Second. The 55-million-acre minimum national wheat allotment would be repealed.

Third. The wheat certificate plan, scheduled to go into effect for 1964, would mean nearly a 20 percent further cut in wheat acreage for farmers.

Fourth. Price supports for wheat would be reduced from the present 75 to 90 percent of parity to 65 to 90 percent of parity.

Fifth. It would reduce the present mandatory feed grain price support from 65 to 90 percent of parity to 50 to 90 percent of parity.

Sixth. It provides more discretionary authority to the Secretary of Agriculture and more flexibility in price supports than any farm legislation since the Agriculture Act of 1938.

Seventh. This would be the most complicated farm program ever imposed upon farmers.

The new wheat certificate program scheduled to go into effect for 1964 subjects farmers to both acreage allotments and bushel allotments. There would be the same stiff penalty for the violation of acreage allotments as contained in the present program.

Under this new wheat certificate program—along with these acreage allotments—each farmer would get a bushel allotment, at least for the first years of its operation, based on a national 1-billion-bushel quota. Farmers would be permitted to market only the wheat produced within their acreage allotment plus any additional they might be permitted under a so-called substitution clause.

Farmers would receive wheat certificates in addition to minimum price supports but the wheat produced under the substitution clause would not be eligible for certificates.

The value of these wheat certificates and the final blended price they would receive would be tied directly to the 65 to 90 percent price supports. For the first year of the plan there would be minimum price supports of $1.40 a bushel, with the wheat certificates valued at 60 cents a bushel. Thus, farmers would receive $2 a bushel for the 1-billion-bushel production.

I might say at this point that one of the good features of the bill is that farmers would receive this wheat certificate payment even though there was a crop failure.

The so-called substitution provision of the bill would permit a farmer to plant a portion of his feed grain base to wheat or a portion of his wheat base to feed grains.

The problem is that the wheat certificate plan is scheduled to go into effect in 1964 but there would be no possibility of a farmer using this substitution program unless a feed grain program were put into effect which established a feed grain base for each farm.

The compulsory feed grain proposal which was disapproved by Congress earlier this year contained a feed grain base. The present voluntary feed grain program has a feed grain base provision, but this program is not expected to be continued beyond 1963. Thus, this substitution provision, which would give farmers a few additional acres, would be ineffective unless new legislation were to be enacted another year. This is very doubtful.

Another complication: The planned $1.40 a bushel price support for wheat in 1964 is tied to its feed value equivalent with corn. Under the omnibus farm bill, corn price supports could well drop from the present $1.20 a bushel to 80 cents a bushel.

If this were the case, wheat price supports would have to drop to not more than $1.25 a bushel and perhaps even lower than $1 a bushel. This is only one of the many areas in this omnibus farm bill where the Secretary of Agriculture has great discretionary authority. This wheat certificate plan has more flexibility than any farm price support program enacted during my 18 years in the Senate.

By a very narrow margin in the recent wheat referendum, farmers voted to approve wheat quotas under the Anderson Act of 1949. This provides for a national wheat allotment of 55 million acres. Under the omnibus farm bill wheat farmers would be encouraged to reduce their acreage in 1963 further by an incentive program. The price support for 1963 is $1.82 a bushel.

Farmers who would be willing to further decrease their acreage anywhere from 20 to 50 percent would be given an 18 cents a bushel payment in cash or in kind in addition to the $1.82 a bushel. Also, there would be a payment for diverted acres much the same as under the present program that is in effect for 1962.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. HOLLAND. Is it not true, in view of the fact that the referendum had already been held on the basis of existing law, the only way any reduction in wheat production could be accomplished for 1963 was through an incentive program?

Mr. YOUNG of North Dakota. That is correct. I have no objection to this part of the bill. In fact, I believe it is a good provision.

Mr. HOLLAND. I thank the Senator.

Mr. YOUNG of North Dakota. The feed grain program for 1963 under the omnibus farm bill will be much the same as the present program. It has some improvements. For 1963 all feed grain acreage will be lumped together to establish a total feed grain base for a farm. If a farmer wanted to participate he could make the required cut in any one of the feed grains which best suited his farming operations. It is still a voluntary program.

One of the worst features of the feed grain program is that it provides no exemption for corn for silage. This imposes a real hardship on the farmers of

my State. There is not now and never has been a surplus of corn silage.

Price supports for corn would be at $1.02 a bushel with an 18 cents a bushel bonus paid in cash or in kind to those farmers who voluntarily reduced their acreage by 20 to 50 percent. There would be no price support in 1963 for feed grains for farmers who did not reduce their acreage by at least 20 percent.

Starting with 1964 and subsequent years price supports for feed grains would drop drastically. Present mandatory 65 to 90 percent supports for corn would be dropped to 50 to 90 percent of parity. All other feed grains are supported at their feed value equivalent with corn.

A tough yardstick in the bill which the Secretary of Agriculture would have to use in determining price supports for corn—with our present heavy surpluses—would hardly permit him to set price supports above 50 percent of parity. I quote this particular provision of the bill:

> Notwithstanding the provisions of section 101 of this act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn.

This would mean that corn price supports would be dropped from the present $1.20 a bushel to 80 cents a bushel in 1964. Barley would be down to 62 cents, oats 41 cents, and rye 68 cents a bushel. This is just the kind of program that those who believe in low price supports or no price supports at all have been trying to get for years.

I am happy that several amendments of mine were included in the final draft of the bill. They include a provision permitting the Secretary of Agriculutre to increase the acreage of any type of wheat in short supply. There is a similar provision for malting barley. Another amendment of mine repeals the present law which makes price supports for feed grains available only on a farmer's normal production rather than actual production. This year many farmers in North Dakota, as well as other States, because of better crops in some areas, found a considerable part of their production was not eligible for price supports.

Let me give an example. There was a severe drought over much of North Dakota last year. Thousands of farmers had no crop at all and received no price support. This year when they do have a good crop, they find that because price supports are based on normal yields, a considerable part of their crop was ineligible for price supports. My amendment would correct this.

Some of the most objectionable features of all in this farm bill are all of its complicated procedures. Farm programs in the last 2 or 3 years have become so complicated, both by way of provisions written into the laws and regulations promulgated by the USDA, that farmers have had a most difficult time trying to understand them. I am sure that very few, if any, Members of Congress, if placed in the farmers' position, could understand all of the regulations. This is one of the major reasons why there was a sharp decrease in the "yes" vote in the recent wheat referendum. Should this wheat certificate plan be presented to farmers in its present form in a future wheat referendum, it undoubtedly would not fare as well as the wheat program voted on in the recent referendum.

A simple two-price system for wheat more along the line of the original McNary-Haugen two-price system, or the two-price system sponsored by the former and most respected Member of Congress, Clifford R. Hope of Kansas, and our distinguished colleague, the senior Senator from Kansas [Mr. CARLSON], or that of the National Grange, would be much more workable and acceptable. I deeply regret that a more simple two-price system was not written into this bill rather than the present complicated wheat certificate plan.

I believe that a good price support program is as necessary now as ever before. It does not make sense to drastically lower price supports at a time when everything a farmer has to buy keeps increasing. I believe that farmers would be willing to go it alone without price supports, if the rest of the economy were willing to go it alone, without many of the advantages they now enjoy. I shall not be a party to any program to pull the props out from under any protection farmers may have until other segments of our economy are willing to forgo subsidies and advantages of all kinds that they now have.

I voted for both farm bills when they passed the Senate earlier this year in the hope that they could be improved in conference. I was severely criticized by many people for doing so. I voted for these bills because I wanted to go the last mile toward trying to write better farm legislation before it was too late. The action of the House-Senate conferees was a deep disappointment to me. If the present trend continues, I can see only more difficult times ahead for farmers.

May I say in closing that I refused to vote for lower and more flexible price supports for Secretary Benson, and I refuse now to do it for Secretary Freeman.

I yield 3 minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, the conference report on the farm bill, H.R. 12391, should be decisively rejected. It would be far worse for Americas' farmers, consumers, and taxpayers than no bill at all. Significantly, the Senate and House conferees were sharply divided on the bill, and for good reason.

A RETURN TO THE DISCREDITED BRANNAN PLAN

Most people thought that the discredited Brannan plan with its compensatory payments to farmers had been buried over a decade ago. Yet, it has been resurrected by the conferees and adopted wholesale in the conference report. It is not only unsound, but would be extremely costly. In fact, this was why the Brannan plan was rejected in the first place, coupled with the realization by both farmers and Congress that should such a program be adopted, it would be inevitably followed by stringent limitations on payments to individual producers. The farmers then would be strapped with controls; inefficiency in production would result; the cost of producing food and fiber would increase; and this would lead to sharply higher food costs to consumers.

TAXPAYERS SUFFER

Not only will the bill be ineffective to assist farmers, but the additional cost to the taxpayers will be staggering. The bill will extend the so-called "emergency feed grain program" for another year. It is surprising how these "emergencies" continue eternally. But while extending the program, the conference bill will also double the $900 million cost for feed grains under the 1962 program. This would be accomplished by adding compensatory payments to the land retirement rental. This is political bribery. Through a combination of an 18-cent-per-bushel compensatory payment and a 60-cent-per-bushel land diversion payment, a typical corn farmer with an acreage allotment of 100 acres and a yield per acre of 75 bushels would receive a staggering subsidy of $99 per acre. In addition to this fabulous payment, he would be eligible to receive price support on his total production of corn on 80 of his 100 acres at $1.02 per bushel.

This potential bleeding of the taxpayers was well stated by Secretary of Agriculture Orville L. Freeman, in a letter to Representative KASTENMEIER which appeared in the CONGRESSIONAL RECORD for September 20. Secretary Freeman said, in part:

> On the other hand, the proposed 1963 program would enable each participating producer to obtain 18 cents a bushel for the normal production of his corn acreage, whether harvested for grain or otherwise. The total amount of payment the producers in your district would be eligible to receive would amount to almost $6 million on an estimated normal production of 33 million bushels. With full participation in the State of Wisconsin, payments would be as high as $30 million, on an estimated normal production of about 170 million bushels on the acreage remaining after the 20-percent reduction. In addition, diversion payments would be made on diverted acreage, as was the case under the 1961–62 programs.

COMPULSORY SUPPPLY MANAGEMENT

The bill is obviously a 1-year political bribe to a select group of feed grain and wheat farmers as a prelude to compulsory supply management for all agriculture later. It is the goal of the Kennedy administration to bring agriculture under the most strict production controls; which, in effect, would amount to complete nationalization of agriculture in America. The farmers would be mere puppets of the almighty Secretary of Agriculture who, with his horde of bureaucrats in Washington, would direct the farmer's life and control his livelihood.

WHEAT PROGRAM

The conference report also contains the so-called "voluntary" wheat program for 1963. Here, too, a double payment would be made to certain wheat growers who would receive both land retire-

ment and compensatory payments in precisely the same fashion as under the "emergency feed grain program." It would be accompanied by the same bad results. The combination of these double payments to a typical middle western wheat farmer would result in a subsidy of $43 per acre.

If the program were of genuine lasting effectiveness for farmers, it might conceivably be justified. However, the bill is geared to obtain at best only a 20-percent reduction in production. Since the compensatory payment is made for the grain produced on the acres planted after complying with the minimum requirement for reduction, most farmers will plant all the acres they are allowed to plant and will reduce acreage only to the minimum extent—20 percent—necessary to qualify for the double payment. Quite obviously, this will be the poorest 20 percent of feed and grain land; so, in all likelihood production will not be materially reduced.

MULTIPLE PRICE PLAN FOR WHEAT—A BREAD TAX ON CONSUMERS

The conference report also adopts what is without doubt the most complicated version of the costly multiple price plan for wheat, commencing in 1964. It would authorize the Secretary of Agriculture to treat all wheat exports, including so-called giveaways, as "primary market" wheat. This would result in a further increase in the costs of the wheat export program, which already exceeds $1 billion a year. Yet, we are told by the administration that it desires to reduce Government expenditures for wheat. Yet the net effect is that it would increase costs to the taxpayers and impose a bread tax on U.S. consumers, who would have to pay more for wheat products.

In Utah, we produce a high quality hard wheat for which there is a ready market. However, the conference bill raises the price of certificate wheat and completely ignores wheat quality and market demand in the allocation of certificates. The good wheat producer is paid the same as the poor wheat producer. This means that Utah producers are discriminated against under the bill. Moreover, the relatively high price guaranteed for certificate wheat would subsidize the dumping of noncertificate wheat on the domestic feed grain market, which would harm not only producers of feed grains but also livestock, dairy, and poultry producers.

EFFECT IN UTAH

The Brannan plan compensatory payment program embraced by the conference report is obviously intended as a first step toward imposition of the same program on Utah's dairy, poultry, livestock, and other producers. It is probable that the effect of the bill will be to raise feed costs to our livestock, poultry, and dairy producers while, at the same time, imposing a bread tax on Utah housewives. Moreover, Utah taxpayers would also suffer by the tremendous increase in costs required by this program. As already indicated, Utah wheatgrowers are discriminated against by the bill.

In short, this Kennedy administration farm bill would be a disaster for all concerned in Utah. Thus, for the sake of Utah's farmers, consumers, and taxpayers, as well as for the sake of their counterparts throughout the nation, the bill should be decisively rejected.

Mr. YOUNG of North Dakota. I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I am opposed to the conference report on H.R. 12391. I voted for the bill when it was considered in the Senate with the expectation that it would be improved by the conference committee.

I have been a longtime supporter of a straightforward wheat certificate or domestic parity program for wheat. In each of the last several Congresses, I have introduced and supported bills which would have provided a separate market price structure for wheat used for food and allowed the additional production of wheat for nonfood uses. But the bills I introduced and supported were far removed from the involved, complicated, and confusing wheat provisions in the conference report in H.R. 12391.

This bill is a strange combination of tough production controls on the one hand and more flexible, much lower supports on the other. The wheat certificate plan included in this bill is one of the most complicated pieces of farm legislation ever written by Congress.

It subjects farmers to both acreage allotments and bushel allotments. There would be the same stiff penalty for violation of acreage controls as contained in the present program. Each farmer along with his acreage allotment, would get a bushel allotment, based on a national one billion bushel quota. Farmers still would be permitted to market only the wheat produced within their acreage allotments—plus any additional that might be permitted under a so-called substitution clause.

The so-called substitution provision in the bill permits a farmer to plant a portion of his feed grain base to wheat or a portion of his wheat base to feed grains.

The wheat certificate plan is scheduled to go into effect in 1964, however, with a marketing quota vote on it to be held in July 1963, and there is little possibility of having an agreed 1964 feed grain program by that time. The substitution clause can only be used if there is a voluntary or mandatory feed grain program involving feed grain base acreages in force.

The present voluntary feed grain program is extended only for 1963, however, in this legislation. It is doubtful that the new legislation will be passed and a 1964 feed grain program announced before the marketing quota referendum on the 1964 wheat program must be called. Without a feed grain program in effect, there would be no possibility of a farmer being permitted to produce wheat on feed grain base acres.

I know of no better way to illustrate how complicated the wheat provisions are than to quote the statement made by Representative PAGE BELCHER, of Oklahoma, when this conference report was before the House, he said:

> Mr. Speaker, if you are confused at this time, you are in no different position than the conferees were or members of the Committee on Agriculture. We had two members of the Department of Agriculture come into the conference room and try to explain to us how the wheat section of the bill would operate.
>
> After they thoroughly disagreed with each other and the House Members disagreed with each other, Senator ELLENDER disagreed with everybody. Finally Senator ELLENDER chased the Department officials out of the room and the question was never answered.

I regret very much that a basically sound two-price wheat plan was made so complicated that there is little possibility of getting it understood.

The opponents of this complicated plan will have almost unlimited opportunities to confuse the farmers and make them afraid to approve it in the 1963 marketing quota referendum. If its opponents should be successful and the marketing quota is not approved there would be no effective wheat price supports.

I voted for the voluntary feed grains program for 1961 and I voted for its extension in 1962. I also have gone on record in favor of an extension of the program to 1963.

The current feed grain program is popular in Kansas. Two-thirds of the corn and 70 percent of the grain sorghum base acreage are participating in the program this year. Most of the participating producers have diverted 40 percent of their base acreage since the current diversion payment rates are higher on the acreage diversion in excess of 20 percent of the base up to a maximum of 40 percent.

Small producers may be paid for diverting their entire acreage up to a maximum of 25 acres. As a result of these inducements 46 percent of the corn base acreage and 43 percent of the grain sorghum base acreage on participating farms was signed up for diversion this year.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CARLSON. I have but 2 minutes remaining.

Mr. ELLENDER. Will the Senator yield on my time?

Mr. CARLSON. I yield.

Mr. ELLENDER. The Senator is aware that the amount of price support per bushel that would be paid to the corn grower is the same next year as it was this year, and the diversion payment would be based on the same support rate?

Mr. CARLSON. I so understand.

Mr. ELLENDER. It is $1.20 a bushel.

Mr. CARLSON. That is correct.

Mr. ELLENDER. Therefore, the payments on the first 20-percent reduction would be the same as last year, which also provided a payment rate based on 50 percent of the support price.

Mr. CARLSON. Does the distinguished chairman of the committee disagree with my statement that there will not be much inducement for a farmer to increase acreage reductions more than

20 percent, and up to 40 percent? The base payment is on 20 percent.

Mr. ELLENDER. The payment rate for the next 30-percent reduction would be the same as for the first 20-percent reduction. It would not, however, be at a higher rate, as was the case last year.

Mr. CARLSON. Based on my figures, I cannot understand how taking 40 percent of the acreage out of production would provide any additional benefits.

Mr. ELLENDER. The farmer could reduce his acreage by a further 30 percent and be paid 50 percent of the support price. That is the same as he is paid for the first 20-percent reduction.

Mr. CARLSON. I have been trying to understand the bill. I know of the ability of the Senator from Louisiana to work on this particular program. As I understand the bill, I cannot see how there would be any great inducement for a farmer to take more than 20 percent of his acreage out of production.

I think he will take out 20 percent. For that, he is well paid, and should be. But we had been hopeful that farmers would be paid for more than 20 percent of acreage reduction. Our State has been participating in the program. We have participated in the feed grain program generally.

Mr. HRUSKA. Mr. President, will the Senator from Kansas yield for a brief question?

Mr. CARLSON. I yield for a very brief question. I have only about a minute remaining.

Mr. HRUSKA. Is it not true that if a farmer were to engage in a second 20-percent reduction and get a 50-percent price support, he would forgo, however, the 18 cents a bushel he would get for the corn that would be actually raised on the 20 percent?

Mr. CARLSON. That is how I figure it. That is why I contend it might be possible to take up to 20 percent, but there would be no benefit from going to 40 or 50 percent.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Kansas yield.

Mr. CARLSON. I yield briefly.

Mr. YOUNG of North Dakota. Under the program in effect for 1962, a farmer would get a bigger payment for an additional amount of reduced acreage. Starting at 50 percent it goes up to 60 percent. This year it would be 50 percent across the board.

Mr. CARLSON. As I mentioned earlier, our State has really participated in this program, and we have been very happy to do so. I am hopeful that the legislation which comes before us at this time will give to the farmer the same opportunity, in the wheat and corn area, as he had under the last bill.

If I correctly understand the feed grain provisions of the conference report, there is a much greater inducement to divert the first 20 percent of the feed grain base acreage than in 1962, but no economic inducement to divert more than 20 percent. If a feed grain producer diverts 20 percent of his corn acreage he gets a diversion payment equal to 50 percent of the CCC loan level for corn multiplied by his normal or proved yield on the acreage. He also gets a payment of 18 cents a bushel on the normal yield of all corn grown on the remaining 80 percent of his base acreage.

Mr. President, my calculations indicate that a Kansas feed grain producer who diverted 40 percent of his feed grain acreage in 1962 will get total payments almost as large in 1963 for diverting only 20 percent of his base acreage. There would be little inducement to divert more than 20 percent.

Undoubtedly some who did not participate in the 1962 program will participate in the 1963 program, in view of the much higher inducements to divert a minimum of 20 percent of the base acreage. However, although total payments may equal or exceed those made on the 1962 program in Kansas, the acreage diversion will almost certainly be much less than was obtained this year when a total of 2.4 million base corn and grain sorghum acres were diverted to conservation uses. This is a serious weakness in the 1963 feed grain program authorized in this conference report.

The provisions for feed grains after 1963 also are unsatisfactory. They are a far cry from what farmers were promised when this administration came into power. Price supports within a range of 50 to 90 percent of parity are authorized, but the Secretary of Agriculture must not set them at a level which will result in an increase in Commodity Credit Corporation stocks. This would result in price supports at 50 percent of parity or 80 cents a bushel.

This is the equivalent of no program at all and I shall do everything possible to assure that an acceptable feed grain price support program for 1964 and later years is given prompt consideration when the next Congress convenes.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Michigan.

Mr. HART. Mr. President, many times we who are privileged to represent States which grow soft wheat have pointed out the danger in attempting to legislate across the board on wheat. We have argued that soft wheat is not the contributor to the enormous wheat surplus and should not be subject to the same restrictions as hard wheat.

Many questions have been asked of me as to the effect upon producers of soft wheat of the proposed wheat program recommeded by the agriculture conference committee. It seems to me that for the first time the problem of different types of wheat is recognized, and that the approach being taken by Congress is a sound one.

The Secretary of Agriculture is authorized to take into account the adequacy of supplies of various kinds of wheat and is authorized, if he determines that there is a shortage of a particular kind of wheat, to increase the acreage in those counties where this wheat has been historically grown. I was one of the authors of this proposal, and I believe that in the years ahead it will go far to overcome what may now seem to be less desirable features of the wheat certificate plan.

This, together with the provisions of H.R. 12391 which recognize problems of the small family farm, means that the wheat program in the Agriculture Act of 1962 will make good sense for more than 100,000 small farmers in Michigan and other Midwestern States who grow wheat under what has been known as the 15-acre exemption rule.

Many thousands of small farmers, most of them with diversified farming operations, have been planting up to 15 acres of wheat under an exemption from marketing quota provisions which has been in the wheat program since 1942.

While the 15-acre exemption permitted the small family farmer to grow some wheat, at the same time it excluded him for eligibility for price support if his acreage allotment was less than 15 acres and he exceeded his allotment. For example, if his allotment were only 5 acres and he actually planted 15, he would not be eligible for price support since he had exceeded his allotment. Nor would he incur a marketing quota penalty since he had stayed within the 15-acre exemption.

The provision included in H.R. 12391 would let cooperators in the 1963 wheat program treat these small wheat acreages—under 15 acres—as if they had been acreage allotments. In other words, they would be treated as acreage history.

Under the proposed bill the small producers of wheat would really have a base acreage equal to the average of their plantings in 1959, 1960, and 1961, provided they cooperate in the program by reducing this acreage in 1963 by at least 20 percent, with a maximum reduction of 10 acres.

They would be eligible for price support, for diversion payments on the acreage diverted, and for an 18-cent-a-bushel payment on the normal production of their planted acreage.

The provision is realistic and practical. It gives the small family farmer a stake in the program and a right to participate along with large producers in the benefits of the program.

I hope the experience under this procedure will be good, for it seems to be the best way, under a national wheat policy, of meeting the needs of smaller growers of a type of wheat which is not in great surplus.

In conclusion, the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] and all other members of the committee have been deeply concerned over the problem presented by the grower of soft wheat, and most sympathetic toward him. The bill now pending is the first step toward establishing a formula under which those growers—if in truth there is a shortage in this type of wheat—may find adjustment available.

Mr. AIKEN. Mr. President, I yield 10 minutes to the distinguished Senator from New York.

Mr. KEATING. Mr. President, I suppose it would be accurate to say that I am not generally recognized as an expert on farm problems. However, I have been advised by persons whose judgment I respect and who are well versed

in this field that the country could get along very well this year without any new farm legislation. In any event, no farm legislation this year would clearly be preferable to bad farm legislation.

I am opposed to the administration's multiple-price plan for wheat, on a ground which is very important to urban States which have large consumer populations. It would impose a bread tax on consumers. The bread tax would work as follows: The processors of wheat would be forced to acquire certificates at face value for every bushel of wheat they use; but because the certificates are to be issued to farmers on the basis of planting history, without any reference to grade or quality, processors might have to purchase one lot of wheat simply to get certificates. Then, they would have to use these certificates to purchase "noncertificate" wheat in order to get the particular type and grade of wheat they needed. This complicated process would be sure to increase the cost to the processors. In effect, this would be a tax on the bakers. It, in turn, would have to be passed on to the consumers.

This bread tax is characteristic of the history of across-the-board farm control programs. The taxpayers and the consumers are hit in the pocketbook, but the farm dilemma remains very much as it is. The bread tax hits the city dwellers. Farmers in New York oppose the stringent Government controls proposed in this farm bill. They are also consumers. They have an interest as poultry raisers, livestock producers, and dairy producers in not having their feed costs increased.

Since 1961 we have had to live with the unfortunate feed-grains program. In the first year of operation of this program, the Treasury paid nearly $750 million of subsidies for a comparatively small reduction in production. It seems to me that was a tremendous price to pay for such small results.

The same boondoggle was repeated in 1962; and the conference report calls for a 1-year extension for 1963. This "temporary" feed-grains program, as we heard it called so often, is about as "temporary" as an iceberg. It goes on and on. Federal funds continue to be paid out while the farm dilemma remains pretty much what it is, and perhaps is growing worse. In the interest of good sense, fiscal integrity, and consumer protection, I hope the conference report will be rejected.

In New York City there are 17 million people who eat bread. I say we should let them alone. According to the latest count this morning, there are also 2,087,000 cows in New York that eat feed grains. I say let us leave them alone, too.

This farm bill is a travesty to the farmer, a blackjack for the consumer, and a bad thing for the country. The cost will be very large.

If I may do so, I should like to ask whether the Senator from Louisiana, who is handling the conference report, can state the estimated cost for the first full year of operation under this measure.

Mr. ELLENDER. Does the Senator from New York mean for next year?

Mr. KEATING. Yes.

Mr. ELLENDER. This year, as I have already pointed out, the cost, insofar as feed grains is concerned, will be about $1,100 million. The 1963 feed grain program should be about the same. The bill does not include a mandatory emergency wheat program like the one we had this year and which has cost about $421 million, because we were too late to enact it. But we do provide for a voluntary program for 1963, and assuming that some take advantage of the voluntary program, that will cost an additional $150 million, let us say.

The program for the coming year, on feed grains alone, may cost as much as this year, which would be in excess of $1 billion. But from those costs, in order to reduce the production, one must subtract the storage charges that would have had to be paid if the emergency programs had not been in effect, and also the cost of handling the grains after they were produced and put into storage. That is a very expensive item, in that there are charges for transportation and interest and paperwork, as well as for storage, which ranges from 14 cents a bushel to as much as 18 cents a bushel. For example, storage and other carrying charges in fiscal 1961 for wheat and feed grains cost the Government $900 million.

Mr. KEATING. Do I correctly understand the Senator from Louisiana to indicate that in his judgment the program will not cost any more next year than it has this year?

Mr. ELLENDER. That is my belief. Let us remember that the emergency program will be continued for next year on almost the same terms and conditions as those which now prevail for the 1962 program.

Mr. KEATING. I have before me an analysis of a New York corn farm with an allotment of 50 acres and a yield per acre of 63 bushels, which is the State average in 1961—which I regret to say is somewhat less than the average for Iowa and some of the other States. Without going into detail now as to the method of computation, the compensatory payment to the corn farmer for taking his land out of production would be $83.16 an acre.

Mr. ELLENDER. But that is not a compensatory payment for taking land out of production, at all. The 18 cents at present is a part of the support price. Last year the support price was $1.20, and it was paid to the farmer by way of a loan or by purchase of the grain he produced. But this year it is to be paid in two parts—one, by a loan of $1.02; and, second, a payment in kind of 18 cents—which aggregates $1.20. As I said, the same program will prevail next year substantially as it was this year. The difference is mainly one of procedure.

Mr. KEATING. But, according to the figures I have, the two payments together amount to $83.16 an acre.

Mr. ELLENDER. Yes, if all the payments on the diverted acres and the planted acres are added together and attributed to the diverted acres; the Senator from New York may be correct as to that. I have a figure which shows that an Iowa farmer would receive as much as $100 an acre, but that is figured on the basis that all the benefits which accrue on the 80 acres planted to corn would be credited to the 20 acres which were diverted. So one can easily arrive at a total of $100 an acre. In fact, if the conservation payments were added on top of all of those, one could arrive at a figure of $105 an acre. It all depends on what pencil is used in doing the figuring.

Mr. KEATING. Would it not be cheaper for the farmer to sit back, take his land out of production, and do something else? Would he not make more money doing nothing at all than he would by farming?

Mr. ELLENDER. I do not think he would, because he would not then be paid on all his acres. He would have to plant to get the 18 cents per bushel payment with respect to planted acres.

Mr. KEATING. Eighty-three dollars an acre is a pretty fair net yield.

Mr. ELLENDER. That would be so, if it were paid only on diverted acres, but that figure is obtained by adding payments on diverted acres to payments on planted acres and dividing by diverted acres. The diverted acres are 20 percent of his base acres. He has to plant the remaining 80 percent to obtain the 18 cent payments per bushel on that remaining 80 percent. It is just the same as last year. The producer gets price support only on his planted acres.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEATING. I will not consume further time of the Senator. I believe the Senator from Vermont has all his time allotted.

Mr. ELLENDER. Mr. President, on my time, I wish to say to the Senator from New York that I go back to what I said before—the $83 which he mentions includes the payment in kind of 18 cents as part of the support price received on the production on acres that are actually growing in corn.

Mr. KEATING. I assume he is going to take his poorest land out of production. Is not that the normal practice?

Mr. ELLENDER. No; I do not believe so. These programs have been in effect for some time, under the soil bank program and the conservation program. The land has been enriching itself, so there is very little of that kind of land remaining. What remains is still in some soil conservation program.

Mr. KEATING. Does the Senator think this program is going to work?

Mr. ELLENDER. If I did not think so, I would not be for it.

Mr. KEATING. The Senator is quoted in a radio address as saying that this program has not worked in the past and has only led to continued waste.

Mr. ELLENDER. That is, the emergency program. I would not be for a continuation of an emergency program unless there were a permanent program when the emergency program ended. That is exactly what we are doing by this bill. We are providing for a new wheat program. We are providing for price supports and for payments to the farmer until 1965, in order to get a new program, in order to get the two-price system. By the same token, with respect to

corn, we are actually extending the emergency program for another year, in order to get a permanent program next year; so in 1964 we shall not have a program that has caused all this difficulty; namely, paying a farmer 65 percent of parity to produce all the corn he can, as well as other feed grains. The program that will start in 1964 will reduce price supports to the point where, I hope, it will not pay the farmer to plant corn in excess and sell it to the Government to store.

Mr. KEATING. I do not want to intrude on the Senator's time. I hope to hear the Senator from Vermont comment on his estimate of the cost of this program, which I think is considerably at variance with the views of the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana has 49 minutes remaining; the Senator from Vermont has 58 minutes remaining.

Mr. ELLENDER. I yield 5 minutes to the Senator from North Carolina [Mr. JORDAN].

Mr. JORDAN of North Carolina. Mr. President, I am by no means satisfied with many of the provisions of the farm bill which is before us. It has many weaknesses and, at best, it is only a stopgap measure to give us some additional time to reach agreement on permanent legislation.

Although it is weak and ineffective in many respects, I hope the Senate will approve the conference report, because at this point there is no choice other than disaster for our entire farm program. We must either approve this bill or go back to the old 1958 law which provided price supports with unlimited production. This is the law under which we built up vast surpluses of wheat and feed grains, and I am convinced that if we went back to it both the farm program and the farmers themselves would be wrecked.

I had sincerely hoped that after many long months of work and deliberation we would be able to enact a more realistic farm bill that would deal fairly and effectively with our tremendous surplus problems. We made every effort to work out such a bill, but we could not reach agreement on it. As a result, the bill before us is the best the Senate and House conferees could produce.

I think there is no doubt that the time has come when we must put aside our self-interests and work out a realistic program for the crops that are now in trouble and are getting in worse trouble as each day passes. Agriculture is no longer a sectional problem, but it is a national problem, and it is imperative that all segments of our farm economy work together.

More than at any other time in our history, it is most important that farmers themselves reach agreement on production control and price support measures that will lift agriculture out of the depths of public disrepute and political discord.

This is not going to be easy to do, and it will not be painless. But it must be done, and the longer it is put off the more it will hurt.

Congress has a definite responsibility, but it has reached the point where it is almost impossible for Congress to exercise its responsibility unless farmers themselves are willing to join hands and work together.

I sincerely hope that the individual farmers and farm organizations will unite with Congress and help us work out a program that will protect the interests of our vast farm population and at the same time relieve the taxpayers of our burdensome farm surpluses.

While this bill leaves much to be desired and has many features which could be improved upon, I have no choice but to vote for it because if it is defeated we will have worse than nothing.

Mr. President, I yield the remainder of my time to the Senator from Pennsylvania [Mr. CLARK].

INCREASED ANNUITIES FOR FEDERAL PENSIONERS

Mr. CLARK. Mr. President, yesterday the Senate Post Office and Civil Service Committee voted unanimously to couple the bill granting increased benefits to those on the retirement roll to the postal rate and pay bill. The retirement measure came from the Post Office and Civil Service Committee from the Subcommittee on Retirement, of which I am chairman.

I believe we have a good, sound retirement bill, which will do justice to the former Government workers whose annuities have fallen far behind in terms of what they can buy under the current cost of living as compared to the pay of Government employees still working.

It is interesting to note that within hours after this action occurred there appeared an editorial in the Washington Evening Star suggesting that Congress take steps to alleviate the plight of retirees. The editorial, I think, confirms the wisdom of the action taken by the committee. I ask unanimous consent that the Washington Star editorial entitled "Help for the Pensioner" appear in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HELP FOR THE PENSIONER

Congress has a chance to give a great many retired Government employees a better "pay day" if it acts favorably on bills indorsed by the Senate and House Civil Service Committees. There are some 600,000 of these pensioners or their survivors, perhaps 60,000 to 75,000 of them in the Washington area.

As presently proposed, the Senate bill would increase annuities by 5 percent, and the House version by 7½ percent, both becoming effective January 1. All civil service employees who retire before that date would benefit; those who retire later, to a lesser extent. A sensible feature of both bills provides for another 3-percent increase if and when the cost of living rises to that extent.

Congress last remembered the retirees with a raise in 1958. Between January 1 of that year and last July, the cost of living, according to the Bureau of Labor Statistics, rose 5.8 percent. Making ends meet with fixed incomes versus mounting prices has worked a hardship on a great many whose annuities are based on salaries smaller than today's. At present, retired employes receive an average of $165 a month. Survivors, such as widows, average only $60 a month.

We think Congress should give consideration to a raise equivalent to the cost of living increase since 1958. This would cost somthing like $56 million the first year, diminishing each year thereafter. This would involve a certain inequity. Retired people covered by social security have had the benefit of some increase in Social Security payments. There are others, however, who are not covered by social security, and who have been living on pensions, if any, since 1958 without any adjustment to meet higher living costs. But this is hardly a valid argument aaginst some relief for Government retirees.

POSTAL CENSORSHIP

Mr. CLARK. Mr. President, on an allied subject, in the postal rate bill which may be considered tomorrow, a provision was adopted by a majority of the committee dealing with the censorship of mail which contains Communist propaganda coming into our country from foreign countries.

My own view has been in accordance with that of the Attorney General and other high officials in the executive arm of our Government, including representatives of the State Department and of the USIA, who appeared before our committee, namely, that this provision is unwise, unsound, and unconstitutional.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 2 more minutes to the Senator from Pennsylvania.

Mr. CLARK. I am happy to note that the New York Times, in an editorial appearing this morning, shares my view.

I ask unanimous consent that the editorial appear in the RECORD at this point in my remarks, and I recommend a reading of it to my colleagues. I hope the provision will be deleted. I thank the Senator for yielding to me.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO POSTAL CENSORSHIP WANTED

Should Congress write into the statutes of this country a system of political censorship and screening of the mails? This is the real issue posed by one section of the new postal-rate and pay-raise bill reported out yesterday by the Senate Post Office and Civil Service Committee.

The Senate committee was seeking to meet the problem raised by the House-approved Cunningham amendment, which would go far toward preventing American citizens from receiving mail from the Soviet Union and other Communist countries. The Senate version is more reasonable, since it contains important exemptions. But it still declares, in effect, that there are two kinds of Americans: those who can be trusted to receive any kind of mail from the Communist world, and those who cannot. The Senate provision, like the Cunningham amendment, is probably unconstitutional, and certainly contrary to the most fundamental traditions of our country.

The Senate version of the postal bill provides, as expected, for higher postal rates and for a pay increase for postal and other Government workers. The rate increases are necessary; and fortunately the Senate committee's proposals do not echo the House's sharp threat to the future existence of some of the country's best periodicals.

Although the U.S. mail service can hardly go anywhere but up, it is not likely that the 1-cent increase in ordinary letter mail will produce any improvement, inasmuch as the increased postal revenues will be more than absorbed by the pay increase. As we have argued earlier, the pay issue and the rate issue should have been separated so that each could have been decided on its own merits. But that would be asking too much of a Congress this close to election day in an even-numbered year.

FOOD AND AGRICULTURE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. AIKEN. Mr. President, I yield myself 2 minutes. The Senator from New York asked about the cost of the bill for the next year. The Senator from Louisiana replied that the cost would be about $1,100 million.

The American Farm Bureau Federation has made an estimate of $1.8 billion for the cost for the first year on the feed grains alone. I have gone over the figures, and I cannot find any place in which they are incorrect. I would assume that the figure of $1.1 billion perhaps left out the so-called compensatory payment provision. I am not sure of that. However, the cost would be between $1.1 and $2 billion.

The cost of the wheat program is estimated, I think, at about $1.2 billion. That includes all export subsidies as well.

The cost for wheat and corn together will be between $2½ and $3 billion for the next year. After the first year, of course, it is anticipated that the support price for corn would be cut down. As the bill is written, I think probably it would have to be cut down to 80 cents a bushel, which would result in a saving in the second year.

The whole thing reminds me of a fishhook with a few sharp barbs, and a few very juicy, sweet worms over the barbs. The bait, of course, is offered to the farmers for 1 year. The barbs would come in the second year, and from then on.

Mr. President, I am oversubscribed as to time. The Senator from New Mexico [Mr. ANDERSON] is in the Chamber. If the Senator from New Mexico is ready to proceed, I yield 10 minutes to him.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. ANDERSON. Mr. President, I thank the Senator from Vermont.

I remind Senators that for a great many years I have refrained from entering into discussions with regard to agricultural bills. I have found myself in opposition to my Democratic colleagues on nearly all of the agricultural bills, so I thought it was easier, and perhaps better, merely to keep quiet at the time the bills came before the Senate for passage.

I think the present proposal is a particularly bad bill. It is probably the worst I have seen in my long experience with some of the past agricultural legislation. Only because of that I wish to say a few words about it.

At the outset I wish to say publicly what I said privately yesterday afternoon to the senior Senator from Louisiana [Mr. ELLENDER]. I think he has tried conscientiously and vigorously to obtain good agricultural legislation. I think he has supported it to the very best of his ability. Any word which I shall say today will not be in any way a criticism of him. I am happy to say he knows that, because I have great respect for him.

I am glad to have time yielded to me by my able friend, the Senator from Vermont [Mr. AIKEN]. Senators may remember that in 1948 the then President of the United States promised the people of this country a new and modernized program with modernized parity prices and various other things connected with the program. As the then Secretary of Agriculture, I submitted that proposed legislation to the Congress. It was introduced by the able Senator from Vermont. He and I worked so closely together that the newspapers at that time referred to the bill as the Aiken-Anderson legislation. I was complimented to be associated with the Senator from Vermont in that endeavor.

That bill was passed. I say to Senators today that if the principles of the Agricultural Act of 1948, as submitted by President Truman to the Congress and as introduced by the able Senator from Vermont, had been allowed to become effective, most of the troubles we have seen agriculturally in the past few years would not have occurred.

I am worried about the bill before the Senate, because of the price levels it would put upon supports. I think at some time we shall reach the point where price levels will be completely out of line and wholly unrealistic.

I take as examples two farms with respect to which I have had some experience.

I had to sell my farm in the eastern part of New Mexico this year, because I had reached the point where I could not get a tenant for it unless I participated in the wheat program, because it is in the wheat area, and I could not conscientiously participate in the wheat program because it would have paid me $44 an acre for the full amount I took out of production and $53 an acre above that to let land lie idle, when only a few years ago the land was selling for less than that per acre.

I had a farm. As I say, I sold it. I have been considering what would have happened with respect to that farm under this proposal.

The land to which I refer happens to be irrigated from wells. Wheat is grown on it. The average yield has been about 46 bushels to the acre.

Under the terms of this proposal, if I still owned that farm, I would be given $1 bushel for 46 bushels. I would start with $46 an acre. Since there are 250 acres, and one-fifth of the acreage would be taken out of production, to lie idle, I would get $2,300 for that operation. With respect to the support price of 18 cents a bushel, to be paid to me on the remainder, I would get $8.28 an acre, for 200 acres, or a total of $1,656.

In other words, I would get nearly $4,000 for taking 50 acres out of cultivation. That is about $80 an acre for wheat land, which was being bought very freely for less than that amount per acre only a short time ago. Even after improvement with wells and pumps, such land was selling for $150 or $160 an acre.

We are talking about $80 an acre, or 50 percent a year on capital investment. Then we wonder why people do not rush down to buy the E-bonds from the Federal Government, which bonds pay 3 percent interest.

I have a relative who was desirous of buying an Iowa farm. He was not able to make a satisfactory downpayment, and he had to appeal to me, to see if I could find some way to finance that farm. I had been somewhat more fortunate than he, perhaps, and therefore, I was able to help him with the financing. I know what he paid for his land per acre and what type of farm it is. I know what the average yield has been on the corn.

He has, let us say, 100 acres planted to corn. The average yield is about 75 to 78 bushels to the acre.

I find that under this proposal he will get the figure which was referred to a while ago, $99 an acre, to take a portion of that land devoted to corn production out of cultivation, and permit it to lie idle.

I say that is a wholly unrealistic program. There is no way in the world that the Treasury of the United States can continue to "shell out" to farmers $99 an acre for Iowa, Indiana, and Illinois cornland; nor to pay $80 an acre to a farmer in New Mexico to take irrigated wheatland out of production; nor to pay $43 or $45 an acre to the average Kansas farmer; and still expect to have any kind of a reasonable program.

Many things which the conferees did were very good. Far be it from me to say those things were not good. Some things in the bill are desirable. In some fashion the support prices have gone far too high.

About a year and a half ago when the new Secretary of Agriculture, Mr. Freeman, took office, he discussed with me the problem he had in respect to the price-support level for corn.

I am not one of Mr. Freeman's critics. I believe that Secretary Freeman is an honest, honorable man who is trying hard to do a good job. I think he receives an amazing amount of bad advice.

Probably he got bad advice from me, but I advised him not to raise the support price for corn from $1.06 to $1.20 a bushel. Subsequently he took other advice, and he did raise the support price.

He asked me why I was so sure that he should not do that. I said that there was one fact it was necessary to constantly bear in mind. I said, "You cannot suck and blow at the same time; and when you jump the price of corn in value from $1.06 to $1 20 and ask the farmer to reduce his acreage you are trying to suck and blow at the same time; you are trying to expand acreage by giving a stimulant to the price and you are trying to reduce acreage by offering a premium to the farmers."

I thought it was a bad thing to do. I believe that some of the problems we now experience result from that action.

I say to Senators today that we will not see an end to this program if we accept the conference report. We will see the farmers come back again in 1963 wanting more, not less.

As I read the language in the conference report, price supports could quite easily drop very substantially in 1964, but no Senator honestly believes that in a presidential election year price supports will be dropped. A way will be found to bolster them again. Eighty dollars an acre for irrigated wheat land in New Mexico will not be quite enough. It will be necessary to increase it.

This competition will continue until some day there will be a revolution against farm price supports, which will hurt not only those who are asking for these things, but also farmers who have been in what I regard to be an extremely sound and sensible program.

Mr. President, the tobacco program of our country does not really cost the country a penny. It is a sound and well-conducted program. It has been kept within limits, and there has been no great trouble with it.

Some hav said that if we do not pass the bill, we shall have to go back to the awful bill of 1958. The bill of 1958 was not too bad. I may be incorrect, but, as I remember, it would be improper to call that bill the so-called "Benson" bill of 1958. One of the great movers of the bill was the able Senator from Louisiana [Mr. ELLENDER], who recognized that a 40-percent cut in rice was too great. He said that such a cut would be disastrous and should not be undertaken by the Congress. He recognized also that the cuts in cotton were too high. He recognized that many other things of that nature were in the picture which should not be there. I know that he, as well as others, worked in an endeavor to obtain a good piece of legislation in 1958. That result was not quite obtained because controls on feed grains were left out of the bill. Had they been included, as I said to the Senator from Louisiana, a very, very good piece of legislation would have resulted. I have commended the Senator time after time for his unceasing work toward that end.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. The Senator remembers the efforts I put forth to try to obtain controls in corn. The best we could obtain was price support at 90 percent of the average for the last 3 years of the market value of corn, or 65 percent of parity, whichever was the higher.

Mr. ANDERSON. Yes.

Mr. ELLENDER. The price, which amounted to about $1.06, was provided for uncontrolled production.

Mr. ANDERSON. The Senator is correct. At least I remember the story as he remembers it. I remember that he tried hard to obtain some control on corn. We cannot have high price supports with uncontrolled production. The Senator from Louisiana recognized that fact.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. Mr. President, I yield 2 additional minutes to the Senator from New Mexico.

Mr. ANDERSON. In closing, I point out that I am not trying to criticize the Senate conferees. I know something of what they have been up against. I have been a conferee with Members of the House of Representatives on agricultural subjects. I know how hard it is to put through a good program. But I believe that if the conference report were to be rejected and we were to try again to establish a decent level for certain farm prices, we would be better off.

In World War I I lived in the Dakotas. For a short time everyone was rich. Then nearly every bank closed. In my little farming community there were six banks. Five of them closed. One was kept open by brute strength. That crash resulted because prices had risen too high, and then the collapse came.

On coming into the Department of Agriculture, my first resolution was that such a calamity would not happen to farmers after World War II. We do not need to continue piling these things on.

Therefore, Mr. President, I shall vote for the rejection of the conference report in the hope that we may get a program more nearly in line with what the able Senator from Louisiana [Mr. ELLENDER] contended for in 1958, and which would be as sound now as it was when he submitted it then.

Mr. AIKEN. Mr. President, before the Senator from New Mexico takes his seat, I should like to say that the act of 1958, which decontrolled the planting of corn and fixed a support price, resulted in a decrease of 1 million acres in the planting of corn for grain the second year of operation, and if the program had been allowed to operate the third year, I believe the decrease would have been more than the one in the second year. In addition, we are now feeding and exporting as much corn in this country as was produced in those 2 decontrolled years.

Mr. ANDERSON. Yes. I ask the Senator from Vermont, if the 1958 bill was so awful, how could it have passed the Senate by a vote of 62 to 11? We thought the bill was pretty good. We thought the 1958 act was not bad at all. Yet now we find out that if we do not take the proposed action, something horrible will happen to us.

I say that we had better take time to try to pass a good measure and not vote to provide $100 an acre to an Iowa or an Indiana corn grower, $80 an acre to a farmer who produces on irrigated land in New Mexico, or $45 to a wheat farmer in Kansas.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. The Senator from New Mexico, who has probably had a longer and more intimate connection with farm legislation than almost any other Senator, knows that, while it had certain shortcomings which I admit, on the whole the act of 1958 was a pretty good act, if the Secretary and the Department would properly use the discretionary powers contained in that act. Does the Senator believe that those powers could be used to better advantage than they may have been used in the past?

Mr. ANDERSON. I so believe. I am not trying to make that as a partisan statement, because I criticized Mr. Benson for raising the price supports as much as I criticized Mr. Freeman later.

Mr. HICKENLOOPER. The act could be used for good or bad.

Mr. ANDERSON. As I said a moment ago, a bill which passed in the Senate by a vote of 62 to 11 could not have been wholly a bad piece of legislation. I believe that, properly administered, it could have been a good piece of legislation. I commended then, as I do now, the Senator from Louisiana for working for that measure. If he had succeeded in bringing feed grains under some sort of control—if at least corn were brought under control—we would not have had the problem we have today. The quicker we start clearing the decks and trying once more to achieve a proper result the better off we shall be.

Mr. HICKENLOOPER. In my judgment, while on occasions the act of 1958 produced some unsatisfactory results, if the authority and discretion permitted under the act had been properly used, it could be a very effective act for the benefit of the agricultural economy of our country.

Mr. ANDERSON. I agree with the Senator from Iowa.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, the three men whom I admire most in connection with service to agriculture are present in the Chamber. They are the distinguished chairman of our committee, the Senator from Louisiana [Mr. ELLENDER], the distinguished former Secretary of Agriculture, the Senator from New Mexico [Mr. ANDERSON], and the distinguished Senator from Vermont [Mr. AIKEN], who in his time served as chairman of the committee.

We find those Senators not in accord. We find Senators who are equally devoted to the service of agriculture not in accord. The question is, What shall we do under the conditions that confront us?

First, in its major aspect, the bill is limited in its application to the two commodities which have been causing the most trouble, and which I believe will be dealt with helpfully if the bill is enacted. That is my only reason for voting for it.

There are many provisions in the bill which I do not like. Most Senators know that my own preference is for a much freer agricultural market, except as to tobacco, which was mentioned by the Senator from New Mexico [Mr. ANDERSON] a while ago as never having caused any trouble.

Let us remember that under the act of 1958 there was no quota system, no acreage system, no limitation of any kind upon corn and feed grains.

Under that act a large part of the immense surplus now on hand has been created. We are only putting our heads in the sand like the poor ostrich if we say it is a good thing to continue that bill in effect and expect that somehow, by some miracle, the problem as it affects feed grains will solve itself. It will not.

In connection with wheat, the 55-million-acre minimum was left unchanged by that 1958 bill. That has been the hurdle which we cannot cross and have not crossed up until now in connection with any general legislation applicable over a period of years to the production of that important crop. Wheat and corn and feed grains are the principal offenders. A vast investment has been made on the part of our Nation in those commodities. We have piled up huge surpluses of those commodities, and the existence of those surpluses is about to bring an end, in my judgment, to the whole program. Perhaps that action would be salutary. But they are the offenders, and they have remained the offenders under the 1958 act, which we have heard praised. They have continued to be the offenders under that act.

Mr. President, with reference to wheat, we are in a peculiar situation in that connection, because the referendum has already been had; the voters at that referendum have already approved the extension to the 1963 crop of the provisions of the present law. It is true that it was by a smaller vote than has been the case heretofore, but, nevertheless, they have taken that action. Therefore, both morally and, I suspect, legally, we are bound to accept the result of that referendum and to continue the operation of that law—except that we have an opportunity, by offering some inducement for the retirement of some of that acreage, to limit to some degree the amount of wheat produced and placed into surplus storage next year. This is what is attempted by that provision in the bill, which is applicable to wheat for the year 1963.

In the year 1964—and I call special reference to this point—there is the first effort made for the year 1964 and thereafter to come to grips with the overhanging problem that has resulted from the fact that 55 million acres has been and now is the minimum allowed for wheat production.

In the pending bill there is announced the principle—and if the bill is passed it will apply in 1964—that a bushel quota for the production of wheat shall be converted into a realistic acreage allotment designed to result in only the production of the quota and shall be applied to each wheat producer, and that such quota figures will be in accord with the needs of the Nation at that time, for our domestic need, for our foreign trade, and a reasonable holdover for the next year.

That is a step of the very greatest significance. It is a step that must be taken some time if we are ever to deal with this problem. I am distressed to see that my friends who represent areas where wheat is produced—though they recognize that this 55 million acreage minimum has been one of the greatest troubles through the years—are not willing to approve this first real attempt to come to grips with the problem and to cut the amount of the production of wheat so as to meet the need for each year beginning with 1964. Because I believe both of these steps are necessary, a special inducement for next year to reduce production, and reduced production resulting from a new philosophy and a new apportionment for 1964, I am supporting the wheat proposal.

With reference to the corn and feedgrain proposal, we also have a troublesome situation.

The 1958 law did not impose any acreage limitation or any other sort of limitation upon the production of corn and feed grains. We all know what has happened under the 1958 law. Yet our friends say that we should keep that law in effect, and go back to it, because it is not too bad.

Perhaps it is not too bad, but it has brought the whole program into such disrepute that I believe that those who wish to be realistic must see that the whole house is about to fall down on their heads. The question, therefore, is whether it is reasonable to allow a situation which has brought about such a deplorable status to continue, or whether it is reasonable to try to move to a better program. It seems to me that it is very clear we should attempt to move to a better program.

Although the corn and feed grain provision is not all that I would like it to be, it does move toward a reduced production of corn and feed grain. It does move to solve the problem which overhangs the whole agricultural program of our Nation. That is the second reason why I support the conference report.

There have been those who have sought to show the high cost of this program in the field of corn and feed grain production. They have—as they have had a right to do—relied upon some of the heaviest production and some of the heaviest producing acreage in the Nation, in Iowa and Illinois. They have used the figure of 75 bushels per acre as the basis for their computation. That was justifiable. However, I believe it is necessary for us to look at the whole picture before we decide what are the implications so far as the cost of this particular program is concerned.

I have before me the report of the Crop Reporting Board of the U.S. Department of Agriculture, covering production for 1961 and several prior years in the field of corn and feed grains. Using only the corn production at this time, which shows for Iowa 74 bushels an acre—and our friends have used 75 bushels an acre in computing the cost of the program—it shows, at the same time, an average national production in 1961 of 61.8 bushels per acre, much the heaviest that it has ever been. The year before it was 54½ bushels, and the year before that, it was 44.1 bushels per acre.

It required unusually good crop and weather conditions to bring about that average. Yet our friends used 75 bushels per acre to compute the cost of this program, when the average for the Nation was 61.8, and when there is a very great area in our Nation where no such figure even remotely appears as representing the ability of the soils of that area to produce corn.

In the whole area which I represent, in part, beginning with Virginia and going down to Texas, these are the 1961 figures that are shown: In Virginia, the figure is 53 bushels per acre. In North Carolina, it is 48 bushels per acre. In South Carolina, it is 35 bushels per acre. In Georgia, it is 35, and in Florida it is 33. In Tennessee it is 43, and in Alabama it is 35. In Mississippi it is 39, and in Arkansas it is 35.5. In Louisiana it is 37 bushels per acre. In Oklahoma it is 35. In Texas, it is 30 bushels per acre. The average is about half of the 75-bushel-per-acre figure used by our ingenious friends to show what the cost of this program is likely to be.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 5 more minutes to the Senator from Florida.

Mr. HOLLAND. I believe we should be factual about these things. To be factual we must look at the whole production picture in this Nation. Looking at it factually, it is indicated rather conclusively that the figure for the production is not nearly as much, from the standpoint of bushelage per acre, as the figure used, which was 75 bushels per acre.

The cost of the program is nothing like what has been stated by our friends, because they have not used the average figure. An application of the facts shows that the cost is much less than anything that has been discussed on the floor.

As to wheat, I listened with the greatest respect—because I always listen with respect to the Senator from New Mexico—to his description of what the cost of the wheat production in New Mexico happens to be. This same document shows, at page 58, the figure for wheat production; and it shows, instead of 46 bushels per acre, which I am very sure was produced, as stated by the Senator from New Mexico, on his irrigated farm in New Mexico, a national average production of 23.9 bushels, or just a little bit more than half as much per acre as the figure used by my distinguished friend.

So far as New Mexico itself is concerned, the figure here shown for 1961 is only 29 bushels per acre, average, for

production in that good State. In other words, the use of the figure as applied to an irrigated, fertile farm which happened to produce 46 bushels an acre is no more representative of the correct figure, either in New Mexico or generally as to the whole Nation, than was the case with respect to the corn figure.

Generally speaking, I think the President knows and Senators know that I do not like these programs. But I know where our trouble is coming from. I know that our trouble is coming from wheat, corn, and feed grains. When an effort is really made to cope with those two problems, I do not like to see the problem swept under the rug. We must not forget the fact that those are the principal commodities which are causing our trouble. We must have these two emergency programs for next year. Everyone knows that. Otherwise a banner crop next year would pretty well sink the whole program and start us over from the very beginning in the whole agricultural system.

As to what will follow after that, the problem as it concerns wheat involves cutting the volume of production and applying a quota system which will reduce the volume within reasonable figures. As to corn and feed grains, what is done is to change the support price from that of the present law to 50 to 90 percent.

I do not believe it will be easy for anybody to sweep aside the 50 to 90 percent support price next year. We have used a completely different approach from what has been used in late years, so far as price supports are concerned. Price supports ought to be a floor, as they were regarded in the Roosevelt days and up until the time when price supports were so greatly increased in order to increase agricultural production for World War II. Fifty percent is not too far off, so far as a floor support is concerned. It is a guarantee, like insurance, against disasters which necessarily occur in agriculture and agricultural production.

The Senator from Florida will not be looking forward eagerly to sweeping that provision from the books next year. To the contrary, he will be fighting to retain it if necessary.

So far as the whole act is concerned, there are many changes made in the conference report. I shall deal with only four of them. The first one I have just mentioned, namely, the reduction in the cost of feed grains in 1964 and thereafter from the present law's price support to a 50- to 90-percent parity support, although that will make the support price a floor instead of a ceiling. It has been a ceiling lately because very few producers of corn have received the support price figure unless they happened to be in exactly the right position to get it.

The second helpful change in the law is the striking of the provision for the FHA to make large loans to public units for the creation of recreational developments or industrial parks. Those two items are stricken from the conference report.

Third, the milk title has been eliminated.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. ELLENDER. I yield the Senator from Florida 5 additional minutes.

Mr. HOLLAND. Mr. President, I think anyone who read the milk title or the various other proposals made in that field realizes that they were not realistic. I remember that distinguished Senators serving on our committee who represent the States having the largest milk production did not like the milk provisions—either those which were suggested by the Department of Agriculture or those which were in the bill as it came to us from the House.

Fourth, an effort was made to make the Small Watershed Act even more subject to abuse than it is now—and it is indeed being abused. An attempt was made to increase from 5,000 acre-feet to 12,500 acre-feet the size of a lake or a pond in which water could be impounded for flood prevention purposes. That provision was stricken, and the report has restored the 5,000 acre-feet limitation.

Those are only a few of the improvements. There are other improvements, such as those made in Public Law 480; in the conservation program; and in the school milk program. I could mention still others.

I think the good in the bill, especially the good which will come from the two critical fields of better control of wheat and better control of corn and feed grains, justifies the Senate in approving the bill. I say that with some reluctance, because, so far as I am concerned, I should like to have written a far different bill. My associates who sat with me on the conference know that that is the case. My other associates, who sat with me in the Committee on Agriculture and Forestry, know likewise. But the fact remains that we are accomplishing something by the bill. Those who wanted to do nothing but go back to the 1958 law, which brought on all of our trouble, or much of our trouble, are suggesting, in brief, that we allow the whole house fall on us, and they would not try to get out from under it by trying to strengthen it. I could never support that approach. It is for that reason that I support the conference report.

Mr. President. I yield the floor.

Mr. AIKEN. Mr. President, I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I do not think Congress will solve the farm problem until we recognize the excessively high support prices and the excessive production of feed grains which are engendered by the farm program. Payments running from $75 to $100 an acre for the retirement of land are never justified.

In that connection I ask unanimous consent to have printed at this point in the RECORD an analysis of the conference report on the farm bill, together with a statement of how it will operate and specific examples of how the payments will be distributed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE CONFERENCE REPORT OF THE FARM BILL

The conference report to be considered by the Senate has two principal parts as applied to corn, other feed grains, and wheat: (1) a so-called "emergency" program for 1963, and (2) the program effective in 1964 and thereafter.

The emergency programs are not only costly but ineffective. The chairman of the Senate Committee on Agriculture and Forestry, Senator ELLENDER, summarized the inefficiency of the emergency wheat program during the debate on S. 3225 when he said:

"To authorize the temporary program for 2 more years would cost the taxpayers, according to the most recent estimate $333 million per year to reduce wheat production by about 100 million bushels. In other words, it would cost the Government $3.30 per bushel to curtail production of 100 million bushels of wheat per year."

Administration spokesmen have repeatedly recognized that the present emergency programs are too costly. Secretary Freeman has estimated that a 1-year extension of these programs would cost $2.4 billion.

In a letter dated June 8, 1962, to Congressman COOLEY, the Secretary of Agriculture summarized the situation by stating on page 2 under a table entitled "Government Cost of Alternative Programs for 1963 Crops":

Extension of 1961–62 emergency programs:	*In millions*
Feed grains	$1,200
Wheat	1,217
Feed grains and wheat	2,417

The Secretary did not take account of the compensatory payments in cash or kind for all farmers who cooperate with this program (18 cents per bushel for wheat and corn).

Since the compensatory payment is made for the grain produced on the acres planted after complying with the minimum requirement for reducton, most farmers will plant all the acres they are allowed to plant and will reduce acreage only to the minimum extent (20 percent) necessary to qualify for the double payment.

The conference report provides that in 1964 and thereafter the provisions of the Agricultural Act of 1958 as applied to feed grains are repealed, and instead, the Secretary of Agriculture is given authority to support the price of corn and other feed grains at from 50 to 90 percent of parity at his discretion.

THE WHEAT CERTIFICATE PLAN

The proposed wheat certificate plan is not the "domestic parity plan" which has been widely discussed by wheat producers for a number of years. Under the domestic parity plan exports would have been treated as a secondary use of wheat and there would have been little or no need for export subsidies. The plan in this bill would authorize the Secretary of Agriculture to treat exports—including surplus disposals as a primary use of wheat.

Secretary Freeman has estimated that this would require an expenditure of $430 million for export subsidies in the 1963 crop year on top of an expenditure of $608 million for the export of wheat under Public Law 480. A system whereby exporters would be required to buy wheat certificates and then go back to the CCC for offsetting export subsidies verges on the ridiculous.

The high-price guarantee proposed for "certificate" wheat would subsidize the production of surplus wheat to be dumped in the domestic feed market. Thus, the certificate plan would mean unfair competition for the producers of feed grains and depress prices of livestock, dairy, and poultry products.

The certificate plan is, in effect, a "bread tax." Processors of wheat food products would be forced to acquire certificates at face value in proportion to their use of wheat. Since certificates would be issued on the basis of past planting history without regard to grade or quality, processors often would be forced to buy one lot of wheat to get certificates and then to buy "noncerti-

ficate" wheat to get the type or grade they need. In effect, the cost of acquiring certificates is really a tax on the processing of wheat into human food. This processing tax would be passed on to consumers as a tax on the consumption of bread and other wheat food products.

NO NEW FARM LEGISLATION

If no new legislation is enacted—

1. Expiration of the present programs will result in a saving of almost $1.3 billion in direct payments to farmers and additional administrative expenses as follows:

Estimated direct cost of 1962 feed grain and wheat program payments to farmers

[In millions of dollars]

Corn and grain sorghums	853.8
Barley	41.9
Wheat	333.6
Total	1,229.3
Additional administrative expenses	48.0
Total, including administrative expenses	1,277.3

2. Substantial additional savings would be realized by discontinuing the present policy of selling grain at market prices to finance land retirement payments and replacing it with new CCC takeovers at a higher price.

Under the 1961 feed grain program, the CCC sold 603 million bushels of corn at an average price of $1.02 per bushel. A total of 658 million bushels of 1961 corn was placed under price-support loans and purchase agreement. Thus, there is a good chance that all of the corn sold under the 1961 program will be replaced with new takeovers at a support price of $1.20 per bushel. If so, the direct cost of this manipulation to hold market prices below support will be $109 million. Additional losses were incurred by selling grain sorghums for less than the support price.

We are now consuming and exporting more corn than we have ever produced in a single year, including the years 1959 and 1960 in which corn was supported without any limitation on production under the 1958 act.

3. The wheat program would be based on the 1938 law on acreage and the 1949 law on price supports. The support price would remain at 75 percent of parity ($1.82 per bushel) as already accepted by farmers in the August referendum on marketing quotas. In comparison with the support price of $2 per bushel now in effect under the "emergency" programs, this would mean a saving of 18 cents on every bushel of wheat exported. At the 1961–62 level of exports (710 million bushels) such a reduction in export subsidy costs would result in a saving of $128 million.

EXAMPLE OF PAYMENTS INVOLVED UNDER H.R. 12391, THE FARM BILL, AS REPORTED BY THE CONFEREES

An example of a corn farm

Acreage allotment, 100 acres; yield per acre, 75 bushels. The bill under consideration provides 18 cents per bushel for the normal yield times 80 percent of the acreage allotment, which would be calculated as follows: 75 bushels times 18 cents equals $13.50 per acre—times 80 acres equals $1,080.

In addition to this compensatory payment, this producer would be eligible to receive a land diversion payment calculated at 60 cents per bushel times his yield. Thus, the following results: 75 bushels times 60 cents equals $45—times 20 acres equals $900.

To recapitulate: $1,080 compensatory payment plus $900 land diversion payment equals $1,980 for a typical farm in Iowa reducing its corn acreage 20 percent below its allotment. On an acre basis, this is equal to $99 per acre. In addition to this fabulous payment, he would be eligible to receive price support on his total production of corn on the 80 acres at $1.02 per bushel.

An example of a wheat farm

Acre allotment, 100 acres; 25-bushel yield per acre. The calculation would be as follows: 18 cents times 25 bushels equals $4.50 per acre—times 80 acres equals $360.

Land diversion payments would be calculated on the basis of 50 percent of the target price support times the estabilshed yield, thus: 25 bushels per acre times $1 per bushel equals $25 per acre—times 20 acres equals $500. Adding the $500 to the $360 gives a total of $860, or a cost of $43 per acre.

Mr. AIKEN. Mr. President, I yield 5 minutes to the senior Senator from Ohio.

Mr. LAUSCHE. Mr. President, I shall vote against the report for six reasons.

First. The bill will increase the cost to consumers for the food they buy.

Second. The bill is estimated to be twice the cost of the subsidy for this year's program, thus lifting the subsidy expenditure approximately $900 million.

Third, the provisions of the bill give discretionary power to the Secretary of Agriculture far in excess of any power ever before granted to the Secretary.

Fourth. The provisions covering the 1964 agricultural program will impose Government regulation and controls on the farmer in such great measure as to be completely inconsistent with the freedom which should be the possession of every American.

Fifth. Admittedly the program created by the bill is not adequate, as is evidenced by the statement that in 1963 a new program will be submitted to Congress by the Secretary of Agriculture.

Sixth. There has been pending before Congress for the last several years a sound proposal to expand the conservation reserve under voluntary compliance by farmers of the United States to an acreage that will remove from production food and feed grains in a quantity to bring the production into some measure of conformity with consumption. The provisions of this foregoing pending bill, in my opinion, should be given at least a trial.

It is argued that although the bill in 1963 will cost at least $900 million more than the program for this year, it will have no ultimate impact on the price that the consumer must pay for the farm products he buys.

This increased expenditure demonstrates that the inevitable result must be an increased price to the consumer.

I have said that the conference report would give the Secretary of Agriculture discretionary power far in excess of any power heretofore granted him. On this point, I am becoming more and more apprehensive about the abdication of power by the Congress and the surrender of such power to the administration.

The PRESIDING OFFICER. The time yielded the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, may I have 2 more minutes?

Mr. AIKEN. Mr. President, I yield 2 more minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 more minutes.

Mr. LAUSCHE. I thank the Senator from Vermont.

Mr. President, regardless of the goodness of the Secretary of Agriculture, regardless of how high-minded he may be, I do not wish to give him powers so extensive that, if abused, they could result in violation of the very concepts of our system of government.

What about the cost of this program? The Ohio farmer produces about 75 bushels an acre. Let us assume he has 100 acres of corn-producing land, and let us assume that he takes 20 of them out of production. Twenty times 75 bushels would be 1,500 bushels; and for those 1,500 bushels he would receive 51 cents a bushel, which would be $765. Then he would receive an additional 18 cents a bushel on the production from the other 80 acres. I have calculated the total amount he would receive. For every acre that he would take out of production, he would receive approximately $93. I cannot afford to let the citizens of Ohio say that I subscribed to a program that told the farmer, "Take out of production one acre of your corn-producing land, and the Government will pay you $93 for it," therefore, Mr. President, I will vote against adoption of the conference report.

Mr. President, I yield the floor.

The PRESIDING OFFICER. What is the pleasure of the Senate? Does the Senator from Vermont desire to yield time?

Mr. AIKEN. Three Senators have asked me to yield time to them, but none of them is present at the moment. Of course, I could not possibly give all of them the last 10 minutes under my control. Furthermore, I do not know where they are now; and if I were to yield time to Senators who have not requested time, there would be none left for those who have requested time.

Mr. ELLENDER. Would the Senator from Vermont like to have a quorum call?

Mr. AIKEN. Yes, if the time required for it is charged to the time under the control of the Senator from Louisiana.

Mr. President, I suggest the absence of a quorum; and the time required for it will have to be taken from the time available for Senators who have not yet spoken and are not now in the Chamber.

Mr. ELLENDER. I have no objection.

The PRESIDING OFFICER. Without objection, the time required for the quorum call will be charged equally to both sides.

The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent to dispense with further proceedings under the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I yield 15 minutes to the senior Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 15 minutes.

Mr. MUNDT. Mr. President, at the outset, let me say that I think the proper course for the Senate to follow with respect to the conference report is to reject it, and then for the Congress to pass a simple extension of existing farm legislation to cover the crop year of 1963. That would give Congress a year in which to continue to protect the farmers' interests, as was done during the current crop year. It would give us an opportunity in the Congress next year to give due consideration to constructive and enduring farm legislation.

By the device employed in the legislation as approved by the conference committee, however, we find the farmers confronted with the situation that the price they are asked to pay for a continuation of approximately the same program we had in 1962 for the crop year of 1963 is to buy a program for 1964 which begins to spell ruin for American agriculture so far as corn, small grains, and livestock areas are concerned.

So, by rejecting the conference report and passing a concurrent resolution, in joint action of the two Houses, extending the existing program for 12 months, we would be protecting the farm program of America, safeguarding the income of the American farmer, and making modest but important inroads on the problem of surpluses, without compelling the farmer to buy now a cat-in-the-bag program which will be triggered off with the crop year of 1964, and one which would provide him with a system of sharply reduced price supports, which would jeopardize not only the corn and feed grain industry, but also the livestock industry.

FREEMAN'S FLEXIBLE FARM FORMULA

In my opinion, the legislation now before the Senate should be known as Freeman's Flexible Farm Formula and one which is completely inadequate to meet our farm problems. I would call it a four-F program. I would designate it such because, in the "F," it fails to meet the problems of the present. It does not in any way face the problem now confronting the farmer, who is actually receiving an average parity price for his crops less than he was getting a year ago or 2 years ago.

In the second place, it fails to provide for adequate net farm income.

In the third place, it fails to protect the taxpayers' interest, because even the advocates of the bill say that it will cost more, rather than less, so far as the general taxpayer is concerned.

In the fourth place, it fails to set up a program for putting farm income back into the supply-and-demand balance necessary for an enduring farm prosperity.

So, on all four counts, the program fails. That is why I say it is a four-F program.

This program would cost more and provide less for American agriculture than any single program I have seen presented by a legislative committee to the Congress of the United States. Not only does Freeman's Flexible Farm Formula out-Benson Benson by supplying a system of flexible price supports as a substitute for a system of firm price supports, which has served the American farmers well over a considerable period of time; but in addition to substituting flexible price supports for firm price supports, it ties flexible price supports to a downbeat by anchoring them to a formula which necessarily requires the Department of Agriculture to flex the price supports of American farmers downward, and never upward. By demanding that the Secretary of Agriculture fix his price support levels, under this new flexible formula which would be initiated with the 1964 crops, by making his attach that price support formula to the amount of the surplus which is stored in Commodity Credit storage, we necessarily mandate him to fix the price supports at a lower level. Thus in operation this proposal out-Bensons Benson by establishing a flexible price support formula which can move or flex farm prices only one way—downward.

With regard to corn, we are told that in 1964 the program would mean 80 cent corn. Since, under the basic agricultural law, price supports for all feed grains are related to the price support for corn, it means that all of them will be sharply decreased. The inevitable result would be an abundance, a surplus, of cheap feed for livestock. Every farmer, every student of agriculture, knows what would result from that type of formula. It would mean an artificial stimulant to the livestock production industry. It would mean the development of a surplus, an overproduction of livestock. It would mean a sharp reduction in the price the livestock producer receives for his livestock, and create a new problem by developing a livestock farm problem, in addition to failing to cure the old problem, which is the problem confronting the producer of wheat, corn, and feed grains.

Mr. President, this is indeed a sorry day for American farmers. We are told that, when we start out in the 1964 program, not only will corn prices drop to 80 cents, but that wheat in the open market will drop to 92 cents a bushel, because of its mandatory relationship to the corn price, except for that element of wheat which is sold under the certificate program at a guaranteed price. This provides us with a ruinous price for much of our wheat as well as for all of our corn.

Among my many other disappointments with this bill, I think the greatest is that the action of the House, with the concurrence of the conference committee, has stricken from the bill the single most important, constructive title as it passed the Senate. When the bill passed the Senate it contained title V. Title V was stricken from the bill in the conference, at the insistence of the House conferees.

What did title V provide? Title V provided, at long last, that the Congress of the United States would do something enduring, something permanent, something positive, something constructive and economically sound to face up to the farm problem, which grows solely out of the fact that supply and demand are out of balance.

Title V provided for a crash program to finally get America going on a program to utilize industrially its gigantic farm surpluses, which started with the war era and continue even to now. It provided for a crash program to use industrially the surpluses from American farms.

Ever since we have had a farm problem we have been tinkering with one little end of the supply-and-demand formula.

It is a pretty short formula. It has only two ends. It has only three words. We have looked at it with only one eye.

Still, though we have spent billions of dollars and nobody knows how many hundreds of thousands of man-hours in working up programs solely devoted to the supply end of the supply-and-demand formula, we have not achieved an answer.

The Senate Committee on Agriculture and Forestry, with the Senate concurring, by writing title V of the bill, said, "Let us pay a little attention to the other end of the formula. After all these years, after having spent billions of dollars, and after having failed to solve the farm problem by working on the supply end, let us open up the other eye and see what we can do with regard to the demand end of the formula. Let us see, if we devote a little more time and exercise perhaps a little ingenuity, if perhaps we can do something with regard to the demand end of the formula to provide a more sound economic base for American agriculture."

We wrote that title into the bill. It was the result of an amendment which I personally introduced. The Senate reinforced it by passing the appropriation bill for the Department of Agriculture—which we reaffirmed by an overwhelming yea-and-nay vote yesterday—and provided $25 million for an operation to try to do something specific in spinning out and operating an industrial utilization program for farm products. The House also rejected that.

I think the conference report should be rejected. I think we should insist upon a simple continuation of the present farm program, and I think we should insist that the Senate's constructive approach, attempting to do something with regard to the demand end of the supply-and-demand formula, should be incorporated into any final farm legislation, even if it postpones the adjournment of the Congress another week or another 2 weeks.

The studies which have been engaged in by commissions created by the Congress have developed evidence replete with information showing that the know-how is available to utilize farm products industrially, through synthetics, through commercial use, through fabrication of industrial products from the products raised on American farms.

If the Senate retreats from that sound economic position, as it would retreat if it approved the conference report, which would take title V out of the bill, it would not only destroy the single, permanent, positive, constructive, sound, realistic, economic solution to the farm problem, but also would accept instead a program

of flexible price supports which cannot help but reduce American farm income.

Mr. President, Senators have received reports from the Committee for Economic Development. Those who come from the Farm Belt have looked aghast at such reports because they have called for the elimination of farm programs, for the elimination of price supports, for the creation of a purely free and open market for American agriculture, to work, as it would have to work, as a little island in a sea of fixed aspects of an economy, each of which, in its own way, contributes to extra cost required to be paid by a farmer in operating his farm.

Insofar as the corn program and the program for feed grains is concerned, if we approve the conference report there will indeed be rejoicing and blowing of trumpets and the sound of victorious laughter in the headquarters of the Committee for Economic Development because we will be accepting their program by our votes while condemning it with our voices.

Mr. President, insofar as the program of flexing farm prices downward is concerned, as would be provided starting with 1964 under the conference report, the Committee for Economic Development will have scored a tremendous victory. It will have sold an utterly uneconomic and unworkable concept of farm price supports, flexing only downward, such as the CED has recommended in its report.

I do not know of a single farm organization which is willing to endorse or embrace the recommendation made by the Committee for Economic Development. All have united in condemning what they have said in their booklet, but now we are asked to accept in a conference report the same proposals. If we pull farm price supports out from under farm products, if we say we are going to flex them down as low as 50 percent and then set in motion a formula requiring the farmers to flex downward further because of the tie to surpluses of the Commodity Credit Corporation, we shall be driving a knife into the back of a sound, economic farm program in America.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. I predict that if the conference report is adopted, Senators who come from the South who may vote for it will rue the day, because the same demands will then be made in respect to cotton, tobacco, sugar, rice, and other products. By endangering a workable farm program for northern crops they will be jeopardizing a continuation of useful programs for the crops produced only in the South. I hope the conference report is rejected.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the distinguished Senator from Washington [Mr. MAGNUSON].

INDEPENDENT OFFICES APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information to the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. YOUNG of Ohio. Mr. President, reserving the right to object, may I ask something of the nature of the report?

Mr. MAGNUSON. I was about to explain it.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAGNUSON. Mr. President, the controlling item in the further conference was amendment No. 7, the research item for civil defense in the Department of Defense. The House had provided $10 million for research, and the Senate had provided $93,800,000 for shelter, research and development, and construction.

The agreement reached by the conferees provides $38 million under the heading of "Research," with additional language to allow the surveying and marking program to continue.

I understand that there may be funds available for some stocking of the shelters, perhaps on a study or research basis.

The other amendments in disagreement, amendments Nos. 8 and 119, involved the modification of shelters, and the Senate conferees receded, in line with the previous denial of fallout shelters in the construction of Federal buildings.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I have heard the Senator's explanation of the report. Would the amount allowed for marking and identification permit the program to be completed?

Mr. MAGNUSON. It would permit the program to be completed. Since we discussed the bill we have learned that there is a carryover of some $35 million. The total would add up to about what the Senate provided.

Mr. JAVITS. With the amount available, can the identification and marking be completed?

Mr. MAGNUSON. That can be completed. The Senate conferees insisted on that.

The PRESIDING OFFICER. The time yielded to the Senator from Washington has expired.

Mr. ELLENDER. Mr. President, I yield the Senator 1 more minute.

The PRESIDING OFFICER. The Senator may proceed for 1 additional minute.

Mr. JAVITS. The real cut comes in the fact that there cannot be much stocking of the marked and identified shelters.

Mr. MAGNUSON. No; but once the program is completed it will be possible for the agency to come to the Congress again, and we can discuss that question. This amount will permit the agency to proceed in the manner suggested.

Mr. JAVITS. There is no understanding that they may not come in and request a supplemental amount?

Mr. MAGNUSON. No.

Mr. JAVITS. I thank the Senator.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG of Ohio. I ask the distinguished Senator from Washington how much smaller is the amount presently contemplated than the amount which was in the Senate bill?

Mr. MAGNUSON. About $60 million.

Mr. YOUNG of Ohio. That is a substantial saving to the taxpayers.

Mr. MAGNUSON. The amount is more than $370 million below the budget estimate.

Mr. YOUNG of Ohio. That is correct.

Mr. MAGNUSON. Considerably more than $370 million below the budget estimate.

Mr. YOUNG of Ohio. Mr. President, I have no objection.

Mr. HUMPHREY subsequently said: Mr. President, earlier today the Senate took final action on the conference report on the independent offices appropriation bill. Just before the vote on that bill was taken, I had to leave the Chamber, to step to the telephone. I wish to state for the record, in connection with that measure, that the independent offices appropriation bill provides approximately $38 million for the civil defense program. I wish the record to show clearly that I have studied this program very carefully, as a member of the Appropriations Committee and as one interested in the civil defense program and I find this sum inadequate, even though it is the best we could obtain from the conference committee.

If the administration finds, after the first of the year, this sum to be inadequate, I hope the administration will not hesitate to appeal to Congress and to present to Congress any necessary supplemental request.

Next I wish the record to show that, although the conference report permits the agency to complete the survey aspects of the program on shelters, I think it should be made crystal clear that although 95 percent of the survey is complete, the stocking program for the shelters is only 60 percent complete at the present time. Surely we should not leave that program 40 percent incomplete and, therefore, ineffective. If 60 percent of the shelters are to be properly stocked, then the rest of the people of the country are entitled to have the same kind of protection.

I hope the agency will look upon this appropriation as a means of being able to continue not only its survey program, but also its stocking program.

Comparative statement of appropriations for 1962 and estimates and action taken on items in the bill for 1963—Continued

TITLE I

Item	Appropriations, 1962	Budget estimates, 1963	House bill	Senate bill	Conference action
INDEPENDENT OFFICES—Continued					
NATIONAL CAPITAL HOUSING AUTHORITY					
Operation and maintenance of properties	$40,000	$40,000	$40,000		$40,000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses	263,250,000	358,000,000	310,000,000	$335,000,000	322,500,000
RENEGOTIATION BOARD					
Salaries and expenses	2,900,000	2,500,000	2,450,000	2,450,000	2,450,000
SECURITIES AND EXCHANGE COMMISSION					
Salaries and expenses	11,412,500	12,800,000	12,800,000	12,800,000	12,800,000
SELECTIVE SERVICE SYSTEM					
Salaries and expenses	37,085,000	38,173,000	37,085,000	37,585,000	37,585,000
VETERANS' ADMINISTRATION					
General operating expenses	161,773,000	157,669,000	157,669,000	157,669,000	157,669,000
Medical administration and miscellaneous operating expenses	43,876,500	13,772,000	13,772,000	13,772,000	13,772,000
Medical and prosthetic research		28,000,000	28,000,000	33,000,000	30,500,000
Medical care	989,371,000	1,017,892,000	1,017,892,000	1,017,892,000	1,017,892,000
Veterans direct benefits		3,923,500,000			
Compensation and pensions	3,500,000,000		3,832,000,000	3,832,000,000	3,832,000,000
Readjustment benefits	80,000,000		91,500,000	91,500,000	91,500,000
Veterans insurance and indemnities	39,200,000	32,000,000	32,000,000	32,000,000	32,000,000
Grants to the Republic of the Philippines	1,000,000	500,000	500,000	500,000	500,000
Construction of hospital and domiciliary facilities	76,250,000	75,500,000	75,500,000	78,500,000	77,000,000
Loan guarantee revolving fund (limitation on obligations)	(235,871,000)	(220,545,000)	(220,545,000)	(220,545,000)	(220,545,000)
Total, Veterans' Administration	4,891,470,500	5,248,833,000	5,248,833,000	5,256,833,000	5,292,833,000
Total, definite appropriations	9,709,137,500	12,537,042,000	11,474,641,000	11,775,090,000	11,605,292,100
Total, proceeds of sales	3,935,000	8,800,000	26,500,000	26,500,000	26,500,000
Total, title I	9,704,072,500	12,545,842,000	11,501,141,000	11,801,590,000	11,631,792,100

Administrative and nonadministrative expenses

TITLE II—CORPORATIONS

[Limitations on amounts of corporate funds to be expended]

Corporation or agency	Appropriations, 1962	Budget estimates, 1963	House bill	Senate bill	Conference action
Federal Home Loan Bank Board:					
Administrative expenses	($1,865,000)	($2,075,000)	($2,000,000)	($2,075,000)	($2,037,500)
Nonadministrative expenses	(10,366,000)	(11,800,000)	(11,500,000)	(11,500,000)	(11,500,000)
Federal Savings and Loan Insurance Corporation	(965,000)	(1,200,000)	(1,080,000)	(1,200,000)	(1,140,000)
General Services Administration: Reconstruction Finance Corporation liquidation fund	(42,500)	(25,000)	(25,000)	(25,000)	(25,000)
Housing and Home Finance Agency:					
College housing loans	(2,000,000)	(1,900,000)	(1,800,000)	(1,800,000)	(1,800,000)
Public facility loans	(1,050,000)	(1,350,000)	(1,100,000)	(1,250,000)	(1,150,000)
Housing for the elderly	(512,500)	(1,000,000)	(714,000)	(850,000)	(725,000)
Revolving fund (liquidating programs)	(145,000)	(145,000)	(145,000)	(145,000)	(145,000)
Federal National Mortgage Association	(8,000,000)	(8,750,000)	(8,250,000)	(8,250,000)	(8,250,000)
Federal Housing Administration:					
Administrative expenses	(9,800,000)	(10,800,000)	(9,500,000)	(10,800,000)	(10,400,000)
Nonadministrative expenses	(64,650,000)	(71,400,000)	(62,000,000)	(67,500,000)	(67,500,000)
Public Housing Administration:					
Administrative expenses	(13,968,000)	(14,750,000)	(14,359,000)	(14,359,000)	(14,359,000)
Nonadministrative expenses	(1,200,000)	(1,490,000)	(1,200,000)	(1,200,000)	(1,200,000)
Total, administrative expenses	(114,564,000)	(125,685,000)	(113,673,000)	(120,904,000)	(120,231,500)

FOOD AND AGRICULTURE ACT OF 1962—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12391), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana may proceed for 10 minutes.

Mr. MANSFIELD. Mr. President, I could not permit this occasion to go by without paying my respects to the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry. This is the third time in this session that he has been before the Senate with a farm bill.

The first measure which the Senate passed, with not too great a majority, was, in my opinion, the best measure of all. Unfortunately, the House cut it down considerably. There was not much opportunity for a conference, and, in effect, what the Senate committee had to do was to write a new bill—not as good as the first one, but a good bill, nevertheless.

The bill then went to conference. The Senate conferees were able to maintain their position, by and large. The result is that the Senate now has before it a conference report which passed the House a few days ago and is now before the Senate for final consideration, to be acted upon one way or the other.

In my opinion a vote against the present conference report would bring about lower farm income. It would increase the cost to the taxpayer. It would increase surpluses and reverse the successes which the programs over the past 2 years have brought about in reducing surpluses.

In 1961 the feed grain program alone has reduced Government stocks by 400 million bushels of corn, and has saved the taxpayers over $213 million in storage and interest charges. These programs contributed to the most dramatic

increase in farm incomes since 1953. Net farm income in 1961 was increased by more than $1 billion.

Mr. President, this conference report is the result of months of intensive work on the part of the Senate and the House of Representatives, the Department of Agriculture, and farm groups interested in a better farm program. It includes most of the provisions of the bill which the Senate approved on August 22, as well as a large part of S. 3225, passed by the Senate on May 25.

Passage of the conference report would be a major step forward in improving the legislation under which American farmers can be assured fair and stable prices without burdening the Government with the excessive cost associated with surplus production.

I wish to summarize the farm bill very briefly, and to comment on certain parts of it.

Title I: Provisions of this title relate primarily to long-range land-use adjustment, and to economic development related to land use. It will provide the Secretary of Agriculture an opportunity to test—on a pilot basis—techniques for turning land from agricultural uses to profitable nonagricultural uses, including recreation, fishing and wildlife. It also provides funds to insure that about 1.3 million acres on which conservation reserve contracts are expiring do not come back into production in 1963.

Title II: This title makes only modest changes in legislation under which the food-for-peace program operates. Long-term credit sales will be encouraged further, with appropriate safeguards for normal dollar export sales. In addition, it will be possible under the bill to expand our assistance to nonprofit school lunch programs in other countries, and to insure that, where practicable, student recipients will help to finance those programs.

Title III: This title contains the most urgently needed sections of the bill. For the 1963 crop of feed grains and wheat, it provides an extension with some modification, of the voluntary programs in effect in 1962. These programs are not perfect; they are actually fairly costly, and their results are somewhat unpredictable. They will provide, however, a good possibility that the results of the 1961 and 1962 programs can be continued, that the 3 billion bushel feed grain carryover inherited from the 1950's will be reduced nearly one-half by 1964, and that the reduction in the wheat surplus can continue in 1963. Failure to approve these programs would add some 500 million bushels of feed grains, and 100 to 150 million bushels of wheat to the surplus in 1963. To store more grain when we already have too much is wasteful and contradictory and expensive.

The conferees amended the price support provisions of both the feed grain and wheat programs for 1963, so that participating farmers will be eligible for price supports through a loan on their grain, and through a payment in kind from CCC stocks. The payment-in-kind provisions of price support would be handled in much the same way that diversion payments have been handled in the feed grain program. Important safeguards have been added, however, regarding sales of grain by CCC at not less than the support prices.

Enactment of the long-range wheat program climaxes, in a real sense, nearly 40 years of intermittent discussion in Congress of multiple-price and marketing certificate programs for wheat. As late as 1956, Congress approved the domestic parity plan for wheat, sponsored at that time by the senior Senator from Kansas [Mr. CARLSON], Representative Hope, and others.

This is essentially the same program, with two key exceptions: This bill provides price supports between 65 and 90 percent of parity not only for wheat used in the United States—as in 1956—but also for a portion of the exports to be determined by the Secretary of Agriculture; it includes also provisions to limit overall farm output, by diverting areas taken out of wheat to nonproductive purposes, instead of into other crops.

Enactment of this program nearly a year before the date for the 1963 referendum will make it possible for wheat farmers to understand the program, for the grain trade to know what to expect well in advance, and for the Department of Agriculture to consult widely with interested persons and groups in preparing to place the program in operation.

The only long-range legislation for feed grains is the change in the price support for corn—to 50 to 90 percent of parity beginning in 1964—from 65 to 90 percent. The bill approved by the Senate directed the Secretary to present new feed grain legislation to Congress next year. Removal of that provision by the conferees does not change the fact that a level of price support low enough to avoid building up new surpluses is not an adequate feed grain program. We must look at feed grains again next year.

In conclusion, I strongly urge the Senate to support the skillful leadership furnished by the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, and agree to the conference report.

Mr. MILLER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois desire to yield to the Senator from Iowa?

Mr. DIRKSEN. Mr. President, I ask how much time the Senator desires.

Mr. MILLER. I have 8 minutes. I should like 5 minutes at the present time.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, the conference report on H.R. 12391, the Food and Agricultural Act of 1962, represents a cynical repudiation of the promise made to our farmers in the 1960 national Democratic Party's platform. I read from page 20 of that platform:

> We shall take positive action to raise farm income to full parity level.

Starting with 1964, our feed grain farmers are now promised only 50 percent of parity. While the report provides in section 305 that price supports, beginning with the 1964 crop of feed grains, shall be not less than 50 percent of parity and not more than 90 percent of parity, the excess over 50 percent of parity is, for all practical purposes, eliminated by the requirement that the Secretary of Agriculture must determine that such excess will not add to the stocks of corn of the Commodity Credit Corporation.

Even the preamble of the bill is faulty. It provides that the bill is designed to reduce the Federal Government's excessive stocks of agricultural commodities.

Senators will remember that during my colloquy with the distinguished Senator from Louisiana [Mr. ELLENDER], during the first go around on the bill, I attempted to elicit from him what was meant by "excessive." The answer of the chairman of the Senate Committee on Agriculture and Forestry was that the Secretary of Agriculture, and no one else in this administration, has defined what is excessive. We know we have about 3 or 4 months of supply of feed grains in storage. Some may think that that amount is not excessive. There are others who may think it is. I believe it is high time, before we enact legislation that is as far reaching as the measure before the Senate, that we have a recommendation from the administration with relation to what the administration thinks would be excessive, and then let the Congress decide whether it is right or not.

We are laboring in the dark.

Another defect in the bill is that probably the greatest hope for the elimination of the surpluses—if, indeed, we have surpluses—is the use of improved and stepped up agricultural research to find new uses for agricultural commodities. It will not happen overnight. It is in the long run the greatest opportunity we have to eliminate our surplus problem. Yet the conference has eliminated this section from the bill.

This is an improvement over the Ellender amendment, which the Senate foolishly adopted when the bill recently passed the Senate and which would have eliminated price supports altogether. However, it promises to hundreds of thousands of farmers and their families only a future of despair over being forced off their farms to become another unemployment statistic.

Compensatory payments of 18 cents per bushel to farmers who go into the 1963 program will be paid regardless of whether they raise any grain or whether, if they do, they feed it to their own livestock. These payments would be over and above price supports of $1.02 per bushel. This proposed Government handout for 1963 apparently is designed to soften up our farmers for what is going to hit them in 1964.

Of course, we know what the proponents of this measure are up to. They want it to be passed so that next year they can come forward with a program which will place strict marketing quotas on our feed-grains and livestock farmers. They will then be given the choice between such a program or the 50 percent of parity program. They will, in effect, be given the choice between the

loss of their freedom and the loss of their farms. And when our farmers are forced into losing their freedom in order to scratch out an existence for themselves and their families, they will find themselves repeating the history of the farmers in Germany during the 1930's.

To further aggravate the problem of our feed-grain farmers, this report provides for a two-price wheat program, starting in 1964, which will result in dumping of cheap wheat on the feed-grains market to compete with normal feed grains. Estimates run as high as 175 mililon bushels of this cheap wheat which will depress our markets.

One wonders why, when Secretary of Agriculture Freeman claimed that the emergency feed grains bill was a smashing success, there has not been an effort made by the administration to continue this program, possibly with some modifications to tighten it up and improve it. The answer probably lies in a hope that the farmers can continue to be fooled by vote-getting hot air.

Mr. ELLENDER. I yield 2 minutes to the Senator from Texas (Mr. YARBOROUGH).

A FARM BILL IS NEEDED NOW

Mr. YARBOROUGH. Mr. President, I support the conference report on the administration's farm bill, and commend the distinguished senior Senator from Louisiana and the majority leadership for their efforts for more meaningful farm legislation.

Although we recognize that the bill does not contain all the features which the Senate had hoped would be included in 1962 legislation, this bill is far better than none at all—the situation that would result should it be turned down.

If the legislation is not passed, the emergency wheat and feed grain programs would be lost for next year. This means that the farmers of our Nation would lose about $1 billion in income, and that surpluses of wheat and feed grains would surely rise to such a degree that the cost to the Government through storage would be more in the long run than the programs would now cost. In other words, if this legislation is defeated, the Senate would be in the position of voting for lower farm income and higher storage, insurance, and other carryover costs to the Government. To me, the sounder course seems to be to approve this report developed by the conferees.

Throughout debate on the farm bill, which has centered around production controls, little has been said in the public reports about several desirable features in the bill which are of utmost importance and which should certainly win approval.

Consider, for example, the part of the bill that would allow land now producing surplus crops to be diverted to new and better uses. Under the land-use section of the bill, the Department of Agriculture would be authorized to cooperate with State and local governments in a moderate loan program to cut down surplus production and turn the land into watershed recreational areas, including wildlife restoration and fishing, or into areas attractive to private investment and individual enterprise. The choice would always be left to local and State governments as to whether or not to enter into these programs.

Another example is in the matter of low-cost credit. Due to a combination of low farm prices and advancing technology during the 1950's, farmers were, and still are, in desperate need of low-cost credit. The Secretary of Agriculture has done a magnificent job in this field already by releasing $35 million in farm operating loan funds that had been frozen under the Republican administration. But there still is a great need for more credit and this bill takes another step forward in this area. We cannot now deprive farmers of this need by rejecting the bill.

As the distinguished Presiding Officer [Mr. METCALF] knows, because of mechanization and advanced technology, it is much more expensive to equip a farm now that it was 10 years ago.

The bill has sound provisions for soil conservation, national forests and grassland programs, and technical and cost-sharing programs for farmers and ranchers.

There is also a section in this bill authorizing the Secretary of Agriculture to enter into sales agreements of needed foods and fiber with foreign and U.S. private trade firms and institutions.

In order to better dispose of surplus commodities, the U.S. Government would be able to enter into agreements with friendly nations to provide food for peace as it has in the past. In addition the United States could trade on a dollar basis with private trade firms in other friendly countries.

This is an area where American good will is taken right into the homes of needy people in friendly nations. It is a method whereby we can put food before hungry people—food on the table to eat, instead of in the warehouses to mold and to decay.

Again I commend the distinguished Senator from Louisiana for his leadership in connection with the bill.

Mr. AIKEN. Mr. President, I yield such part of the remaining 8 minutes as the Senator from Illinois [Mr. DIRKSEN] may need.

Mr. DIRKSEN. Mr. President, first, I concur in the sentiments expressed by the majority leader with respect to the distinguished chairman of the Committee on Agriculture and Forestry. I do not know of any chairman who has an unhappier task than trying to put together all the factors involved in an agricultural bill. Certainly it is not an easy task. I know he has worked at it very diligently. I am sure also that he will not mind if we take issue with what he proposes to us, on the ground that we honestly believe that the conference report is not in the best interest of agriculture.

I believe we have reached a certain height of illogic that probably can best be illustrated by a choice bit that I heard not so long ago with respect to the distinguished gentleman from Texas, who has gotten into difficulty on cotton allotments. The logic ran something like this: There should be the administration's program relating to agriculture, along with controls and all the things that were incorporated in the original bill. The reasoning behind that point of view is this: Had there been no surpluses, there would have been no storage requirements. Had there been no storage requirements, the gentleman named Estes would not have had to fall back upon storage and receive for himself some rather generous storage benefits.

The only difficulty with that story is that Mr. Estes' difficulty did not arise from storage at all. It arose from procuring cotton allotments and taking them to lusher areas. Then, by means of fertilizer and better land management, he made himself quite a stake.

But it is a curious logic that would dictate forced control upon agriculture in order to avoid that kind of problem.

Frankly, I see in this proposal so much confusion that I do not see how Senators could support the conference report. I should like to know what the end result will be. I have been examining the Secretary of Agriculture's letter to Members of the House of Representatives. It was issued on September 18. I was not honored with such a letter. Nevertheless, the Secretary comments on statements made by a certain farm organization.

He says that the organization contends that if the conference report is adopted, farm income will be lower, and therefore there will be increased costs to the taxpayers; that there will be increased surpluses; that the success of the programs which have been so successful up to now will be reversed; and finally, farm legislation for this session will be killed. That is what the Secretary sets forth as a comment from a farm organization.

The Secretary indicates that if we fall back upon existing law, on the old program, farm income will be lowered; that costs will increase; that so far as reversing success is concerned, we would do far better to adopt what is before the Senate in the conference report.

Frankly, I cannot put together all the various contentions which have been made on both sides of the fence. One group indicates that the over-all program under this proposal is likely to cost $2.4 billion. The distinguished chairman of the committee [Mr. ELLENDER] has indicated, in connection with the earlier bill, that to authorize a temporary program for 2 more years would cost the taxpayers, according to the most recent estimate, $333 million a year to reduce production by about 100 million bushels. That would be $3.33 a bushel. In other words, it would cost the Government $3.33 a bushel to curtail production by 100 million bushels of wheat a year. I do not know how Senators could in all conscience embrace a program of that kind in order to curtail production to the extent of 100 million bushels and then pay $3.33 a bushel to achieve that result.

Second, if I have examined the report correctly, I have calculated what

the so-called payments will be, together with the interesting compensatory payment which is provided in the bill. It might equate to as much as $99 an acre. That seems like a fantastic sum, to say the least.

For my own part, I cannot bring myself to support a conference report of that kind when there is so much doubt, when there is so much confusion, and when responsible people, with the Secretary of Agriculture on one side, and a very responsible farm group which has been analyzing these programs for years on the other, are as far part as the two poles. Should we then embrace this bundle of confusion? Or should we send it back to committee or defeat it, and fall back on the programs under existing law?

Unless the figures which have been submitted to me are in error, it occurs to me that probably by falling back on existing law we could save as much as $1⅕ billion a year. That is not hay—even in the U.S. Senate.

So it is my profound hope that the conference report will be rejected, notwithstanding the tremendous effort that has gone into it by the distinguished Senator from Louisiana [Mr. ELLENDER]. I express the hope that when the Senate goes on record, it will reject the conference report, because the country would be infinitely better off under existing law.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I shall vote for the conference report, but with serious misgivings. I realize that the cost involved for the first year, at least, will be tremendous. The 1-year extension of the emergency programs, which I have never supported, is the cause of the exorbitant expenditures which will result. However, it will bring about reduced surpluses; and it looks ahead to permanent legislation which is sorely needed. I am pleased to see the emergency programs being phased out.

While the bill is by no means what I should like to see enacted by way of farm legislation, I believe that its long-range effect will be beneficial to the farmers and to the country as a whole. Congress owes it to the country to do away with these emergency programs. For that reason I shall support the conference report.

Mr. ELLENDER. Mr. President, in the few minutes remaining to me, I express the hope that the Senate will vote for the conference report. As has been said by the Senator from Illinois [Mr. DIRKSEN], the bill involves good work by members of the conference committee.

By the passage of the bill, we will do away with programs which have been costly. Before the first emergency program was placed on the statute books in 1961, $6.2 billion worth of wheat, corn, and other feed grains were on hand. As of June 30 of this year, the cost of that surplus had been reduced to $4.9 billion.

As I have often stated, I am against the renewal of the emergency programs unless we also provide for corrective permanent legislation upon the expiration of the emergency program. The conference report now before the Senate provides for permanent legislation for corn and other feed grains, and for wheat, as well.

Under the wheat legislation provided in this bill we have finally removed the 55 million minimum national acreage allotment under which the Government has accumulated huge stocks of surplus wheat that are neither desirable nor necessary. In addition, we have also corrected the so-called 15-acre exemption; closed many of the loopholes in the old legislation; and placed the whole program on a more realistic basis. This certificate program is not perfect in every respect, however, I feel confident that it will provide a much stronger foundation upon which to build in the future. It will reduce costs to the Government. It will maintain and ultimately improve farm income, and finally it will contribute to a more prosperous and healthy agriculture.

The 1964 feed grain program, while much less than I would desire, is certainly an improvement over the 1958 act. By providing for price supports at from 50 to 90 percent of parity, it lends flexibility that was so sadly lacking in the old act when the Secretary was powerless to set supports at any level other than at 65 percent of parity or 90 percent of the 3-year average, whichever was higher. Under this new concept he can act to either encourage or discourage the production of corn and other feed grains. However, I want it clearly understood that under no conditions can the Secretary impose controls of any kind on the production of corn. Corn producers under this new law will be able to produce as much as they wish, just as they did before. The only difference now is that the Secretary is given some flexibility, where before he had none.

With regard to the extension, for 1963, of the so-called emergency feed grain program, I say only that some good will come of it through the reduction of the huge stocks of Government grain. It will be costly, but not so costly as the 1958 act, and certainly not as costly as the opponents would have one believe.

In my opinion the assertion that the emergency feed grain program for 1963 contemplates payments of up to $100 to producers for diverting acreage twists the facts beyond all recognition.

As a matter of fact, corn producers in 1963 will receive the same price supports of $1.20 per bushel that they received this year and in 1961 as well. The only change is in the amount of land permitted to be diverted and the rate of payments for diversion. In 1961 and in 1962 grain producers were required to divert 20 percent in order to be eligible to receive price supports. On this diversion they would receive 50 percent of the support price of $1.20 per bushel on the normal production per acre. In addition, however, they were permitted to retire up to another 20 percent of their historical base for which they would receive 60 percent of the $1.20 support price on the normal production.

In 1963 farmers will be required to divert 20 percent in order to be eligible for price supports of $1.20 per bushel, and will receive payments of 50 percent of the support price. They are also permitted to retire up to an additional 30 percent, and, on this diverted acreage they will receive, not 60 percent as in 1961 and in 1962, but only 50 percent of the support price.

Overall, the program in 1963 with the exception noted above is not too different from the 1962 and 1961 programs.

In 1961 and 1962 a cooperating farmer could receive price supports of $1.20 per bushel in the form of a loan from the Government, whereas in 1963 he will get a loan of $1.02 and a payment-in-kind of 18 cents per bushel. This adds up, however, to the $1.20 he received in 1961 and 1962. And I might add that it makes sense to give farmers 18 cents' worth of grain instead of cash, when the grain is costing the Government 13.5 cents per bushel per year to store.

In addition, farmers in 1963 who divert 20 percent of their acreage will receive the same payment they received in 1961 and 1962. As a result the cost to the Government should certainly be less than in the past because we are disposing of grain instead of adding to the huge accumulated surpluses of feed grains.

Finally, Mr. President, I want to say emphatically that this bill will not result in increased costs of food to consumers. As a matter of fact, it might well lead to reduced costs to consumers if some of the statements made on the Senate floor today actually come to pass.

Price supports on corn are now at $1.20 per bushel, and on wheat $2 per bushel. This will also be the price support level in 1963, and the wheat price support level perhaps will be the same in 1964. Corn support levels could be expected to be considered lower in 1964. What more stability could consumers ask for.

Program costs will be reduced, thereby saving the taxpayers of the Nation untold millions of dollars. As I indicated earlier, storage and other carrying charges in 1961 alone for wheat and feed grains cost taxpayers $900 million. Since stocks are to be reduced under the bill, so will carrying charges, as well as other costs normally connected with farm programs.

These programs institute no new controls. Wheat controls are tightened and made more realistic. Certainly Congress has been trying to do this for many years. In the case of corn, no controls whatever are authorized or are anticipated.

In my judgment the program that the Senate will approve today is far superior to the existing programs for these commodities. While it is not perfect, the fact that the Government will save money; farm income will be improved, and stocks will be reduced is ample reason for wholehearted support by all friends of agriculture. And last, I might add, that in my opinion, approval of this program may well save all programs from going by the wayside.

Mr. AIKEN. Mr. President, I believe I have 1 minute remaining.

The conference report should be rejected for these reasons:

It will injure the farmer, after he has followed the first year program.

It will injure the consumer, in that higher food prices are bound to result.

It will hurt the taxpayer, because he will have to pay higher taxes for reducing supplies.

It will weaken our position in the international field. The purpose of the bill is to reduce the production of wheat and feed grains in this country, therefore, countries overseas can no longer depend on us to furnish them the food they need when they get into trouble.

Mr. COOPER subsequently said: Mr. President, I shall vote against the farm bill reported by the conference of House and Senate Members.

There are provisions of the bill which I supported in committee, and several contain amendments which I offered in in order to make them more effective and helpful to farmers.

But we are voting on a bill which includes provisions, of extreme importance to farmers, which were never considered by the Committees on Agriculture of the Senate and House, or by the Senate and House of Representatives. These provisions were placed in the bill by the conference committee of Members of the House and Senate and they are only recommended by four Members of the House and three of the Senate—all of the majority party.

Under the rules, we cannot amend or strike these new provisions—we can only vote for or against the bill which has been presented to us by the majority members of the conference committee. I must vote against this bill because the provisions in it which we never had a chance to consider could lead to a disastrous situation for corn growers after 1963.

The bill before us extends the voluntary feed grain program for 1963, and this I approve. However, for the years following 1963, unless the Congress should adopt a new program, it is provided that for the 1964 and subsequent crops of corn, price supports shall be "at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn." The important words to note are "at such level as will not result in increasing Commodity Credit Corporation stocks."

This means that if a surplus of corn exists in 1964 or in following years, support prices could be driven down to 50 percent of parity—or 80 cents a bushel for corn at the present level of parity—which would be disastrous both to corn producers and to the livestock industry. Further, there is a question of whether the Secretary of Agriculture would be permitted to take over any corn under this provision, because the language prohibits him from doing so if it would increase Government stocks. In other words, if the Department of Agriculture cannot stand ready to take corn into storage, there would be no support program for corn.

The purpose of this provision must be to coerce the Congress and farmers to adopt for the years following 1963 the compulsory feed grain control proposal of the Secretary of Agriculture, which was rejected last year and which has been rejected this year.

The administration makes much of the so-called "surplus" in feed grains—corn, sorghum, barley, and rye, most of which is fed out to livestock and poultry—and has been attempting for 2 years to place these crops under compulsory acreage controls. But with the exception of corn, there are no large surpluses of feed grains, and the stocks of corn on hand represent only a volume which could be used in 4 to 6 months. Drought and unusual needs could easily wipe out the surplus.

The controls proposed by the administration would in many cases prohibit farmers from growing sufficient corn and other feed grains for present livestock and poultry operations on their own farms. Further, if these mandatory feed grain controls were imposed, it would have the effect of preventing farmers from expanding their herds and flocks, and could discourage young farmers from becoming livestock farmers.

The administration's proposal is not only a compulsory control program for feed grains. It would be a program to control the choice of farmers to manage their farms as they think necessary, and to engage in a diversified and balanced farm program. Because of the compulsory and coercive features of the administration's feed grain proposal, it has been defeated for 2 years in both Houses of Congress. It was defeated in the Senate Committee on Agriculture, passed by a small margin on the Senate floor, defeated in the House, and defeated again in the Senate Committee on Agriculture.

The Congress ought to adopt a feed grain program of a more permanent nature than the present voluntary program, for which I voted. I believe that a voluntary program can be developed if farmers, the farm organizations, and the Congress, have the opportunity to approach this problem without pressures and look at reasonable alternatives. But, I object to the provision in this bill which would reduce price supports for corn after next year to 50 to 90 percent of parity—in effect 50 percent of parity, or 80 cents a bushel—and which would amount to no program unless the Congress and the farmers adopted the compulsory program of the administration.

The conferees have added another new feature which has never been considered in either the Senate or House Committees on Agriculture, and which had no chance of being fully considered in this debate on the bill reported by the conference, as amendments cannot be offered. The new feature is the provision that a payment of 18 cents a bushel shall be made on the normal yield of the acreage of corn planted by cooperating farmers—in addition to the payment for acres diverted from production. Because it has had no consideration by the House and Senate, it is difficult to describe the effect or cost of this new provision. It is a type of compensatory payment. No one can estimate its cost, and many believe it could lead to replacing the present price supports, based on parity, with a system of direct Government payments, or the Brannan-type program which has been rejected in past years by the Congress and by farmers throughout the country.

If farmers want to adopt such a program, or a compulsory control program, that can be their choice. But they should not be forced into it by adoption of this bill, which would leave open to them after 1963 only the choice of low prices or compulsory controls.

The PRESIDING OFFICER. All time has expired.

The hour of 3 o'clock has arrived; and the question is on agreeing to the conference report.

Mr. ELLENDER. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered on the question of agreeing to the conference report; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN (when his name was called). On this vote, I have a pair with the Senator from Florida [Mr. SMATHERS]. If the Senator from Florida were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] and the Senator from Wyoming [Mr. HICKEY] are necessarily absent.

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Indiana would vote "yea."

The result was announced—yeas 52, nays 41, as follows:

[No. 279 Leg.]

YEAS—52

Bartlett	Hill	Morse
Bible	Holland	Moss
Burdick	Humphrey	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Johnston	Pastore
Carroll	Jordan, N.C.	Pell
Chavez	Kefauver	Randolph
Church	Kerr	Russell
Clark	Long, Mo.	Smith, Mass.
Dodd	Long, Hawaii	Sparkman
Douglas	Long, La.	Symington
Ellender	Magnuson	Talmadge
Engle	Mansfield	Thurmond
Ervin	McCarthy	Williams, N.J.
Fulbright	McGee	Yarborough
Gore	McNamara	Young, Ohio
Hart	Metcalf	
Hayden	Monroney	

NAYS—41

Aiken	Curtis	Mundt
Allott	Dirksen	Pearson
Anderson	Eastland	Prouty
Beall	Fong	Proxmire
Bennett	Goldwater	Robertson
Boggs	Hickenlooper	Saltonstall
Bottum	Hruska	Scott
Bush	Javits	Smith, Maine
Butler	Jordan, Idaho	Stennis
Byrd, Va.	Keating	Tower
Capehart	Kuchel	Wiley
Carlson	Lausche	Williams, Del.
Case	Miller	Young, N. Dak.
Cooper	Morton	

NOT VOTING—7

Cotton	Hickey	Smathers
Gruening	McClellan	
Hartke	Murphy	

So the report was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the majority leader with respect to the program for the remainder of the day, and also for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised, in view of the fact that the Judiciary Committee has unanimously reported the nomination of former Secretary of Labor Arthur Goldberg to be an associate justice of the Supreme Court, I hope, with the concurrence of the Senate, to have the Senate go into executive session and take up the nomination as soon as this colloquy is ended. With that out of the way, it is anticipated that the Senate will consider the remainder of the maritime bills, which the Senator from Alaska [Mr. BARTLETT] will handle.

It is the hope of the leadership that the policy committee, which will meet at 4 o'clock, will give us permission to lay down the postal pay and postal rate increase bill tonight, so that it will be the pending business. If that permission is granted, debate will start on the bill tomorrow.

Mr. MORSE. Mr. President, will the Senator yield? I did not hear the last statement. What will be the pending business?

Mr. MANSFIELD. It is hoped that the policy committee will give its permission to lay down the postal rate and postal increase bill tonight. There will be no debate—certainly no votes—on it tonight, but it is hoped that the debate on that bill will get started tomorrow at 10 o'clock.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. As my good friend the Senator from Montana knows, I wait until a late hour to make any speeches on business that is not pending before the Senate. I think I owe that to my colleagues in the Senate. I have a very important matter coming before a subcommittee of the Judiciary Committee tomorrow. I could not begin to take the necessary time before the committee to make the case, but I will make the full case tonight in the Senate by a speech of several hours, although I could withhold it in case some other bill came up for consideration. I will make my speech in the Senate tonight so that the full committee may have a full record of the case before it meets tomorrow.

I thought the Senate ought to know that, from the standpoint of my State, I have a very important speech to make tonight, which will take several hours.

Mr. MANSFIELD. I am glad the Senator has made that statement. He has been continuously courteous in holding back his speeches, day after day, and week after week, until the late hours of the afternoon, thereby giving the Senate as a whole a chance to dispose of business. For that I am grateful.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1651) to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2795) to prohibit the use by collecting agencies and private detective agencies of any name, emblem, or insignia which reasonably tends to convey the impression that any such agency is an agency of the government of the District of Columbia, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes; and that the House receded from its disagreement to the amendment of the Senate numbered 7 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 10319. An act to adjust the retirement and relief compensation of certain police and fire department personnel of the District of Columbia, and for other purposes;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries; and

H.R. 12964. An act to amend the act of February 9, 1907, entitled "An act to define the term 'registered nurse' and to provide for the registration of nurses in the District of Columbia,' as amended, with respect to the minimum age limitation for registration.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 218. An act to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States;

H.R. 575. An act to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes;

H.R. 1304. An act for the relief of Jung Hae;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 5312. An act for the relief of certain additional claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 5320. An act for the relief of Robert Knobbes;

H.R. 6016. An act for the relief of William Thomas Dendy;

H.R. 6649. An act for the relief of C. W. Jones;

H.R. 6998. An act for the relief of Anthony Pirotta;

H.R. 6999. An act for the relief of Henry Massari;

H.R. 7123. An act for the relief of Mrs. Takako Coughlin;

H.R. 7438. An act for the relief of Anna Caporossi Crisconi;

H.R. 7704. An act for the relief of Chyung Sang Bak;

H.R. 8626. An act for the relief of Wilfrid M. Cheshire;

H.R. 9578. An act for the relief of Annie Yasuko Bower;

H.R. 9587. An act for relief of Anthony E. O'Sorio;

H.R. 9603. An act for the relief of Lt. Comdr. Joseph P. Mannix;

H.R. 9893. An act for the relief of Tadeusz Sochacki;

H.R. 9995. An act for the relief of Dwight W. Clarahan;

H.R. 10566. An act to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz.;

H.R. 10678. An act for the relief of Angelo A. Russo;

H.R. 10720. An act for the relief of Rexford R. Cherryman of Williamsburg, Va.;

H.R. 11164. An act to approve an amendatory repayment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin Irrigation Districts, and to amend the Columbia Basin Project Act of

Public Law 87-703
87th Congress, H. R. 12391
September 27, 1962

An Act

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962". Food and Agriculture Act of 1962.

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows: Soil Conservation and Domestic allotment Act, amendments. 49 Stat. 1148. 16 USC 590g.

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and 76 STAT. 605. 76 STAT. 606.

(4) by adding a new subsection at the end of section 16 of said Act to read as follows: 49 Stat. 1151. 16 USC 590p.

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided*, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years. 70 Stat. 191-195. 7 USC 1831-1837.

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

89928 O - 62 - (581)

"(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

76 STAT. 606.

76 STAT. 607.

"(6) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for the program authorized under this subsection: *Provided*, That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding $15,000,000."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

16 USC 590p.

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided*, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

Ante, p. 606.

16 USC 590h.

Bankhead-Jones Farm Tenant Act, amendments.

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended by striking out "including the retirement of lands which are submarginal or not primarily suitable for cultivation," and by inserting following "natural resources," the phrase "protecting fish and wildlife," and by striking out the period at the end thereof and inserting ", but not to build industrial parks or establish private industrial or commercial enterprises."

7 USC 1010.

Repeal.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

50 Stat. 526.

7 USC 1011.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land con-

servation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

Watershed Protection and Flood Prevention Act, amendments.
75 Stat. 254.
16 USC 1004.

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further*, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further*, That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further*, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such

costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

70 Stat. 1088. 16 USC 1004.

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

70 Stat. 1088.

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further*, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further*, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

16 USC 1006a.

SEC. 105. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

70 Stat. 1089. 16 USC 1005.

"SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engi-

neer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided*, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further*, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

SEC. 106. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto". 33 USC 701b note. 68 Stat. 667; 70 Stat. 1088. 16 USC 1004.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows: 73 Stat. 610.

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through 7 USC 1731-1736. 7 USC 1731.

the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

73 Stat. 610.
7 USC 1732.

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

7 USC 1733.

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery,".

7 USC 1735.

(4) Section 405 is amended to read as follows:

"SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

7 USC 1736.

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

68 Stat. 458.
7 USC 1431.

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school lunch programs".

76 Stat. 609.
7 USC 1697.

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

72 Stat. 1792.
7 USC 1431b.

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85-931), is amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 205. In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section.

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed Grains

Sec. 301. Section 105(c) of the Agricultural Act of 1949, as amended, is amended by adding the following new paragraphs (5) and (6): 75 Stat. 6, 301. 7 USC 1441 note.

"(5) The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Eighteen cents per bushel of the support price for corn, and a comparable portion of the support price for grain sorghums and barley shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest in 1963 by the adjusted average yield per acre for the 1959 and 1960 crop acreage of such feed grain. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for corn, grain sorghums, and barley (such feed grains to be valued by the Secretary at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley, price support shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such program an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

"(6) The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1963 for corn, grain sorghums, and barley to the extent prescribed by the Secretary: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the special agricultural conservation program for 1963 if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

Sec. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection: 49 Stat. 1151; Ante, p. 607. 16 USC 590p.

7 USC 613.

"(g) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn, grain sorghums, and barley to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crop, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley in the crop years 1959 and 1960 or up to twenty-five acres, whichever is greater. Payments in kind only may be made by the Secretary for the diversion of up to an additional 30 per centum of the average acreage on the farm planted to corn, grain sorghums, and barley, in the crop years 1959 and 1960. Payments may be made at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary may also make such adjustments in yields as he determines necessary to reflect any increases in yields since the 1959 and 1960 crop years as the result of the adoption or the improvement of an irrigation system if such improvement or adoption of such irrigation system was made prior to the effective date of this sentence but such adjustment in yields shall apply only to payments with respect to acreage diverted pursuant to the requirements of section 105(c)(6) of the Agricultural Act of 1949, as amended. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in

Ante, p. 612.

making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection (g)(1), barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(c)(6) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960. Ante, p. 612.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (valued at not less than the support price minus that part of the support price made available through payments in kind) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1963 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

SEC. 304. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1963 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barely.

SEC. 305. The Agricultural Act of 1949, as amended, is amended by striking out subsection (a) of section 105 and inserting in lieu thereof the following: 72 Stat. 994. 7 USC 1441 note.

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn." 63 Stat. 1051. 7 USC 1441.

89928 O - 62 - 2

SUBTITLE B—WHEAT

PROGRAM FOR 1963

SEC. 306. Price support for the 1963 crop of wheat shall be made available as provided in section 101 of the Agricultural Act of 1949, as amended, except that (1) price support shall be made available only to cooperators, and only in the commercial wheat-producing area, (2) if the operator of the farm elects to participate in the program formulated under section 307—

63 Stat. 1051.
7 USC 1441.

(A) price support shall be made available to the producers on such farm only if such producers divert from the production of wheat in accordance with the provisions of such program and acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide, and

(B) the level of price support for wheat of the 1963 crop to such participating producers shall be at a national average of two dollars per bushel and the amount by which such level of two dollars per bushel exceeds the national average level available to cooperators who are not participating producers shall be made available as hereinafter provided, and

(3) the national average level of price support for wheat of the 1963 crop to cooperators who are not participating producers shall be one dollar and eighty-two cents per bushel. The amount by which the level of two dollars per bushel exceeds the level of price support available to cooperators who are not participating producers shall be made available through payments in kind, on the number of bushels of wheat determined by multiplying the actual acreage of wheat planted on the farm for harvest in 1963 by the normal yield of wheat for the farm. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for wheat (such wheat to be valued by the Secretary at not less than the current support price for wheat to cooperators who are not participants in the program formulated under section 307) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. For purposes of section 407 of the Agricultural Act of 1949, the "current support price" for wheat during the marketing year for the 1963 crop shall be the support price for such crop to cooperators who are not participants in the program formulated under section 307.

63 Stat. 1055.
7 USC 1427.

SEC. 307. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be eligible for payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to 20 per centum of the higher of (i) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961, with adjustments for

abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered, but not to exceed 15 acres, or (ii) the farm acreage allotment for the 1963 crop of wheat. Such producers may divert additional acreage on the farm not in excess of the larger of one and one-half times the amount diverted under the preceding sentence or such acreage as will bring the total acreage diverted to 10 acres: *Provided*, That the total acreage diverted shall not exceed the larger of (i) or (ii) of the preceding sentence.

(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: *Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b) (4) of this section.

(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer-fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses, including summer-fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer-fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) The actual acreage planted to wheat for harvest on the farm in 1963 shall be reduced by the total amount of acres diverted under this section below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the 1963 crop of wheat;

(B) the average acreage of the crops of wheat planted for harvest in the calendar years 1959, 1960, and 1961 with adjustments as provided above, but not to exceed 15 acres.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be eligible for payments which shall be made by Commodity Credit Corporation in cash or wheat not in excess of 50 per centum of the value, at the estimated basic county support rate (available to cooperators who are not participants in the program formulated pursuant to this section) per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to special crops pursuant to the proviso in subsection (a) (2) of this section, payment for which shall be computed in accordance with subsection (b) (4) of this section.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at not less than the current support price for wheat to cooperators who are not participants in the program formulated pursuant to this section. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(4) Payment with respect to diverted acreage devoted to special crops pursuant to the proviso of subsection (a)(2) of this section shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

(c) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(d) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(e) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(f) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

52 Stat. 31.
7 USC 1281.

(g) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted hereunder, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

(h) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay administrative expenses necessary in carrying out this section after June 30, 1963.

SEC. 308. (a) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period to a comma at the end of the next to the last sentence and adding the following: "or section 307 of the Food and Agriculture Act of 1962." 75 Stat. 300. 7 USC 1334. Ante, p. 615.

(b) The special wheat program formulated under section 307 of this Act shall not be applicable to any farm receiving an additional allotment under section 334(i) of the Agricultural Adjustment Act of 1938, as amended. 72 Stat. 101; 75 Stat. 778.

SEC. 309. Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), as amended, is amended by changing the period at the end thereof to a colon, and adding the following: "*Provided further*, That a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 15 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961." 75 Stat. 297.

PROGRAM FOR 1964 AND SUBSEQUENT CROPS

SUBTITLE B—WHEAT

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs: 52 Stat. 52. 7 USC 1331.

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the pro-

duction of wheat from adversely affecting other commodities in interstate and foreign commerce."

68 Stat. 903.
7 USC 1332.

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"NATIONAL MARKETING QUOTA

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: 52 Stat. 53. 7 USC 1333.

"NATIONAL ACREAGE ALLOTMENT

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year." Post, p. 621. 7 USC 1335.

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows: 7 USC 1334.

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 and 1963 crops". 75 Stat. 300.

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively. 70 Stat. 1117.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection." 72 Stat. 101; 75 Stat. 778. Post, p. 622.

(4) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any type of wheat are inadequate to provide for the production of a sufficient quantity of such type of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such type of wheat, and (2) has produced such type of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such type of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support." 55 Stat. 204. 52 Stat. 51. 7 USC 1326.

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following: 52 Stat. 52. 7 USC 1331-1339.

"COMMERCIAL AREA

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

52 Stat. 54.
7 USC 1335.

"SMALL FARM EXEMPTION

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959–1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

55 Stat. 203.

Post, p. 622.

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

52 Stat. 55.
7 USC 1336.

"REFERENDUM

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to

this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

Ante, p. 621.

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

52 Stat. 55.
7 USC 1337.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"LAND USE

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1964 and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

Ante, p. 621.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows: 55 Stat. 203.

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

55 Stat. 204.

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

75 Stat. 297.

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

55 Stat. 205.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

55 Stat. 872.

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

7 USC 1301.
68 Stat. 902.
70 Stat. 212.

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat", by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,", and by inserting in said paragraph after "determined" the following: "in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or

peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows: 7 USC 1371.

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof. 52 Stat. 64.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or". 68 Stat. 904.

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,". 52 Stat. 68. 7 USC 1385.

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1964 or any subsequent year and the marketing years beginning in the calendar year 1964, or any subsequent year. Ante, p. 622.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows: 52 Stat. 38. 7 USC 1301 et seq.

"SUBTITLE D—WHEAT MARKETING ALLOCATION

"LEGISLATIVE FINDINGS

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"WHEAT MARKETING ALLOCATION

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing

certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"MARKETING CERTIFICATES

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335.

Ante, p. 622.

Ante, p. 621.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"MARKETING RESTRICTIONS

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates legally held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales or exportations made on or after the date so determined by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product composed wholly or partly of wheat to be used for human consumption, including beverage. "Food products."

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined

by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"CONVERSION FACTORS

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and food products, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"PENALTIES

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"REGULATIONS

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows: 63 Stat. 1051. 7 USC 1421 note.

(1) By inserting after section 106 the following new section: 74 Stat. 6.

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop— 7 USC 1445.

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b), 63 Stat. 1054.

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains, 7 USC 1421.

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101, and

"(5) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any

commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335."

Ante, p. 622.

Ante, p. 621.

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "*Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

63 Stat. 1055.
7 USC 1427.

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of subsections (c), (d), and (g) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

75 Stat. 6,302; Ante, p. 613. 16 USC 590p. Ante, p. 615. 75 Stat. 297. 7 USC 1334 note.

SEC. 327. In the establishment of State, county, and farm acreage allotments for wheat under the Agricultural Adjustment Act of 1938, as amended, the acreage which is determined under regulations of the Secretary to have been diverted from the production of wheat under the special programs formulated pursuant to section 307 of this Act, section 339 of the Agricultural Adjustment Act of 1938, as amended, and section 124 of the Agricultural Act of 1961, shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of wheat.

SEC. 328. Effective with the 1964 crop, during any year in which an acreage diversion program is in effect for feed grains, the Secretary shall, notwithstanding any other provision of law, permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

7 USC 1921 et seq.

(1) By inserting in section 303 after "use and conservation" a comma and the following "including recreational uses and facilities";

7 USC 1923.

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land use including the development of recreational facilities,"; 7 USC 1926.

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; 7 USC 1929.

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and 7 USC 1942.

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming." "Farmers." "Farming."

SEC. 402. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 403. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": *Provided*, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising." 52 Stat. 31. 7 USC 1281. 68 Stat. 906. 7 USC 608c.

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest." 75 Stat. 293. 7 USC 1427.

SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Approved September 27, 1962, 1:00 p.m.

FOR IMMEDIATE RELEASE, SEPTEMBER 27, 1962

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON THE SIGNING OF H.R. 12391, THE
AGRICULTURE ACT OF 1962
IN THE PRESIDENT'S OFFICE

The Agriculture Act of 1962 represents an important step forward in our program to increase farm income while reducing costs to the government of the farm program, and holding the accumulation of farm surpluses.

Last year under the 1961 program we made excellent progress. Farm income increased $1 billion and surpluses are down. This is reflected in improvement also in the economic health of rural communities. I notice that deposits in country banks in farm states are already up 10 percent from 1960, and industries which supply farmers have reversed unfavorable trends. This bill will permit us to increase the gains we have made in all of these sectors of the economy.

I understand that feed grain stocks would have climbed to more than 3 billion bushels by 1964 without the farm legislation the 87th Congress has enacted. With this legislation stocks should go down to near the needed reserve levels by 1964. I think that this is an important point -- with this legislation stocks should be down to near the needed reserve levels by 1964.

Similarly, as a result of this bill, wheat carryover stocks in a few years will be reduced to half of the 1961 level.

This legislation brings to a successful conclusion nearly 40 years of public discussion, some ten years of Congressional debate, and a long record of active support by farm groups for whatis called "two price wheat legislation." Now wheat producers and wheat processors can plan confidently for the future instead of having to operate from year to year under emergency bases.

I am especially pleased by the pilot program in the bill to explore means of turning farm lands to non-agricultural purposes, and to broaden the authority of the existing watershed and lending programs of the Department of Agriculture. These may be the most important provisions of this legislation for it opens up possibilities for constructive and continuing programs of multiple use of private and public conservation projects, expanded open air space areas around cities, and economic development of some of our less developed areas. With this bill we can also continue our efforts to expand the Food for Peace program, and encouraging at the same time our prospects for expanded commercial trade.

There is provision for increasing participation by the United States in school lunch programs in friendly countries, and for partial financing of these programs by the recipients. I am confident that this Act will help us sustain prosperity, reduce burdens of surpluses, and main-

(OVER)

tain stable food prices.

I want to congratulate the members of the Congress from both sides who labored so long in the past two years on this legislation -- Senator Ellender in the Senate and Congressman Cooley in the House, and the members of the House and Senate Agriculture Committees who are with us today, who, against substantial odds, were able to secure the passage of this important piece of legislation which benefits agriculture and the country as a whole.

END

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 15 (legislative day, MAY 14), 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. HART to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 69, between lines 11 and 12, insert the following:

"SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period

at the end of (I) thereof and inserting in lieu thereof the following: ': *Provided,* That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising.' "

On page 69, line 12, strike out "SEC. 404" and insert "SEC. 405".

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. HART to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 15 (legislative day, MAY 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Beginning with line 6 on page 11, strike out all through line 15 on page 18, and substitute the following:

"SUBTITLE A—FEED GRAINS

"SEC. 301. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"'PART VII—MARKETING QUOTAS—FEED GRAINS

"'LEGISLATIVE FINDINGS

"'SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"'Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"'Although certain feed grains are better suited for pro-

duction in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

" 'The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

" 'The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regu-

late feed grains which do not move outside of the State where they are produced to the extent set forth in his Act.

" 'The diversion of substantial acreage from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in sur-

plus supply if they are permitted to be grown on the diverted acreage.

"'NATIONAL MARKETING QUOTA

"'SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"'(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of live-

stock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for feed grains for any marketing year shall be not less than one hundred and ten million tons.

"'(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secre-

tary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"'NATIONAL ACREAGE ALLOTMENT

"'SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected produc-

tion (1) on increased acreage resulting from exemptions pursuant to sections 360f and 360k, and (2) of silage on acreage excluded from the acreage of feed grains pursuant to section 301 (a) (11), make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"'APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"'SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b) (2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"'(b) (1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c) (2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"'(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of reclamation and other new areas coming into the production of feed grains.

"'(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"'(2) The reserve acreage established pursuant to subsection (b) (1) of this section shall be available:

"'(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"'(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the

Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"'(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"'(d) In determining the State, county, and farm base acreages—

"'(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years dur-

ing which a marketing quota program was in effect for which statistics of the Federal Government are available;

"'(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under Federal farm programs, acreage diverted from the production of feed grains under this part, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"'(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm, except that in the case of a farm which is exempt from the farm marketing quota under the small-farm exemption in section 360f, or under the exemption in section 360k, the acreage on the farm in excess of the farm acreage allotment but not in excess of the farm base acreage, shall not be excluded.

"'(4) the acreage of wheat produced on the farm in excess of the farm acreage allotment pursuant to the

exemption provided in section 335 (f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm, and shall not be considered as an acreage of wheat in determining the small-farm base acreage for wheat pursuant to section 335.

"'GEOGRAPHICAL APPLICABILITY

"'SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"'SMALL FARM EXEMPTION

"'SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm acreage allotment of less than twenty-five acres if the acreage of such crop of feed grains does not exceed the smaller of (A) the farm base acreage determined for the farm, or (B) twenty-five acres unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. If the operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the smaller of (A) the farm base acreage, or (B) twenty-five acres, (ii) the land-

use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"'REFERENDUM

"'SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm acreage allotment of less than twenty-five acres shall not be eligible to vote unless the farm operator elected, pursuant to section 360f, to be subject to the farm acreage allotment and marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-

thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"'COMPLIANCE

"'SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided,* That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further,* That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed

grain, shall be considered as the acreage in excess of the farm acreage allotment.

"'(2) For the purposes of this section, (i) "actual production" of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) "normal production" of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield per acre of such feed grain on the farm during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the normal yields for similar or adjacent farms, and the yield in years for which data are available.

"'(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the

disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 360i shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess, and (iv) any acreage of barley disposed of by grazing not later than thirty days prior to the date the harvest of barley normally begins in the county or the area within the county as determined by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"'(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at

a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"'(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"'(d) Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"'(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of

feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"'(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'SUBSTITUTION OF WHEAT AND FEED GRAINS

"'SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, and producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat, to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"'LAND USE

"'SEC. 360j. (a) (1) During any year in which marketing quotas for feed grains are in effect, the producers on

any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1 of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be

the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h (a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"'(3) The Secretary may permit the diverted acreage to

be grazed in accordance with regulations prescribed by the Secretary.

"'(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable to producers with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided,* That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total

acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) for other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided,* That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable reg-

ulations to avoid or postpone payment of the penalty: *And provided further,* That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in feed grains.

"'(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under subsection (b) of this section.

"'(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"'(e) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"'(f) The Secretary is authorized to promulgate such

regulations as may be desirable to carry out the provisions of this section.

"'(g) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"'(h) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems is desirable in order to provide fair and equitable treatment.

"'DEFICIT AREAS

"'SEC. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal

farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

"'AUTHORITY TO EXEMPT MALTING BARLEY

"'SEC. 360l. Notwithstanding any other provision of this part, if with respect to any crop of barley the Secretary finds that there is not likely to be production of a sufficient quantity of malting barley to satisfy the demand therefor, subject to such terms and conditions as the Secretary shall prescribe, the farm marketing quota or farm acreage allotment for any crop of feed grains shall not be applicable to malting barley on any farm, if (i) the operator elects in

writing on a form and within the time prescribed by the Secretary to have malting barley exempt therefrom, (ii) such operator has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest during the crop year, and does not knowingly devote during such crop year an acreage on the farm to barley in excess of 110 per centum of the acreage devoted on the farm to barley in 1959 and 1960, or such later two-year period determined by the Secretary to be representative, and (iii) the farm base acreage and the farm acreage allotment for such crop of feed grains are adjusted downward by such amount as the Secretary determines appropriate to reflect the exclusion of such barley from the farm acreage allotment.'

"SEC. 302. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out 'and' immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediately following such new semicolon the following: 'and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the pro-

duction of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers.'

"SEC. 303. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

"(1) Subsection (a) is amended by adding at the end thereof the following new items:

"'(10) The term "feed grains" means corn, grain sorghums, and barley.

"'(11) The term "acreage of feed grains" means acreage of feed grains planted for harvest (including self-seeded feed grains), but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360d(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection.

"'(12) The term "crop" as applied to "feed grains" means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year.'

"(2) Subsection (b) (6) (A) is amended to read as follows:

"'(6) (A) "Market", in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of.'

"(3) Subsection (b) (7) is amended to read as follows:

"'(7) "Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"'Barley, July 1–June 30;

"'Corn, October 1–September 30;

"'Cotton, August 1–July 31;

"'Grain sorghums, July 1–June 30;

"'Peanuts, August 1–July 31;

"'Rice, August 1–July 31;

"'Tobacco (flue-cured), July 1–June 30;

"'Tobacco (other than flue-cured, October 1–September 30;

"'Wheat, July 1–June 30.

"'"Marketing year" means, in the case of "feed grains", the marketing years for the agricultural commodities comprising the feed grains.'

"SEC. 304. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

"(1) Section 361 is amended by adding 'feed grains,' after 'wheat,', and by changing the period at the end of the section to a comma and adding the following: 'and to the review of land-use penalties assessed pursuant to sections 339 and 360j.'

"(2) Section 362 is amended by adding at the end thereof the following: 'Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer.'

"(3) Section 363 is amended by adding 'or land-use penalty' after the word 'quota' wherever it appears in such section.

"SEC. 305. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding 'feed grains,' after 'wheat,' in subsection (a) thereof.

"SEC. 306. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting 'corn' wherever it appears and by substituting in lieu thereof 'feed grains'; and subsection (b) of

section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: 'or to effectuate the provisions thereof.'

"SEC. 307. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after 'Soil Conservation Act payment,' the following: 'payment under section 360j,'.

"SEC. 308. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 301 through 307 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

"SEC. 309. The Agricultural Act of 1949, as amended, is amended as follows:

"(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"'(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"'(1) if marketing quotas for any crop of corn, grain sorghums, and barley are not disapproved by pro-

ducers, price support for corn of such crop shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401 (b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products.

"'(2) if marketing quotas for any crop of corn, grain sorghums, and barley are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401 (b).

"'(3) price support for each crop of barley and grain sorghums, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made avail-

able for corn, taking into consideration the feeding value of such feed grain in relation to corn and the other factors specified in section 401 (b) of this Act.

"'(4) price support for corn, grain sorghums, and barley shall be made available only to cooperators.

"'(5) if marketing quotas are in effect for the crop of corn, grain sorghums, and barley, a "cooperator" with respect to any such feed grain produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of corn, grain sorghums, and barley, a "cooperator" with respect to any crop of corn, grain sorghums, and barley produced on a farm shall be

a producer who does not knowingly exceed the farm acreage allotment for feed grains. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such farm marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k of the Agricultural Adjustment Act of 1938, as amended.'

"(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

"(3) By amending section 401 by inserting after the comma before '(2)' the following: '(2) the income needed to provide a farm operator and his family with

a return for his labor and investment equal to the return earned by comparable resources in other occupations', and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

"(4) By adding at the end of section 407 the following: 'Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges.'"

On page 34, beginning with the period in line 13, strike out through the period in line 18, and insert a colon and the following: "*And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

On page 45, beginning in line 2, with the word "No", strike out through line 6, and insert the following: "No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f or 360k."

Beginning on page 53, in line 24, with the word "No", strike out all through line 3 on page 54, and insert the following:

"No producer shall be deemed to have exceeded the farm

acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 24, beginning with line 1, strike out all through line 10, and insert in lieu thereof the following:

"(1) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'.

On page 25, lines 3 and 4, strike out "(other than Durum wheat to which subsections (e) and (h) are applicable)".

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 18, strike out line 17.

Beginning with line 20 on page 29, strike out all through line 9 on page 30, and beginning with line 11 on page 54, strike out all through line 6 on page 66.

5-21-62——C

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 65, beginning with line 8, strike out all through line 20, and insert in lieu thereof the following:

"(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for Durum wheat, is amended by striking out in the first

sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'.

"(l) Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(j) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of par-

agraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.'"

On page 65, line 21, strike out "(l)" and insert in lieu thereof "(m)".

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MUNDT to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 15, line 7, immediately after the word "from" insert "erosion,".

5-21-62——E

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. MUNDT to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: At the proper place in the bill insert a new section as follows:

SEC. . It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of cooperative

associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 5, beginning with the comma at the end of line 4, strike out all through the comma after the word "cultivation" in line 7.

On page 5, line 14, strike out the period, insert a semicolon in lieu thereof and add the following: "but such program shall not provide assistance in the establishment of

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

Ordered to lie on the table and to be printed

2

On page 66, line 21, strike out "(4)" and insert in lieu thereof "(5)".

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Proposed by Mr. PROXMIRE to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 66, between lines 6 and 7, insert the following:

SUBTITLE C—DAIRY SURPLUS REDUCTION

SEC. 330. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies

of milk and other dairy products during the marketing year ending March 31, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 331. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 334 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect

adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's

reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 332. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 333 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among

quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 333. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 334. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A

producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 335. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 336. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume

of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 337. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and

restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Proposed by Mr. PROXMIRE to the bill (S.3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962

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Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 21, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Proposed by Mr. PROXMIRE (for himself and Mr. HUMPHREY), to the bill (S. 3225), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 66, between lines 6 and 7, insert the following:

SUBTITLE C—DAIRY INCOME IMPROVEMENT PROGRAM

LEGISLATIVE FINDING

SEC. 330. Milk is a basic source of the Nation's food supply. Dairy farming, which is carried on in every State of the Nation and is an important source of farm income,

constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk. Surpluses of milk result in low prices to producers and impair their purchasing power; shortages result in unreasonably high prices to consumers and the loss of markets for producers. Recurring shortages and surpluses cause undesirable fluctuations in prices to producers and consumers, unstable farm income, and disorderly marketing practices. The general welfare requires that interstate and foreign commerce be protected from the harmful effects of imbalances in the supply of milk and dairy products. All marketings of milk and dairy products are either in the current of interstate and foreign commerce or directly affect such commerce. The intrastate marketing of milk and dairy products is in competition with the marketing of milk and dairy products in interstate and foreign commerce. Milk and dairy products which enter directly into the current of interstate and foreign commerce cannot be effectively regulated without regulating that part marketed within the State of production. The conditions affecting the production and marketing of milk and dairy products are such that, without Federal assistance, farmers individually or in cooperation cannot maintain a flow of an adequate and balanced supply of milk in interstate and foreign commerce at prices fair and reasonable to producers

GENERAL DEFINITIONS

SEC. 331. For the purposes of this subtitle—

(a) The term "interstate commerce and foreign commerce" includes the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

(b) The term "affect interstate and foreign commerce" means, among other things, to burden, obstruct, impede, or otherwise affect interstate and foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk and dairy products for or in such commerce or after transportation therein.

(c) The term "Secretary" means the Secretary of Agriculture.

(d) The term "milk" means bovine milk, including any classification, type, or grade thereof.

(e) "Producer" means any person who is engaged in the production of milk or butterfat for market.

(f) The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any other business entity.

(g) "First processor" means (1) any person, other than a retail store or establishment serving food for consumption on the premises, who receives, purchases, or

acquires milk or dairy products from a milk producer for disposition in any form to others, and (2) any producer who disposes of milk or dairy products directly to consumers, retail stores, and establishments serving food on the premises.

SEC. 332. In order to afford producers the opportunity and the means by which they can (i) on a compensated basis voluntarily adjust their marketings of milk during the marketing years ending March 31, 1963 and 1964, more nearly to equal demand, thus increasing their net returns and reducing Government purchases under its price support program, and (ii) receive prices for such marketing years at rates determined pursuant to section 337 of this Act for milk marketed within their normal marketing levels but receive prices which have been adjusted, through surplus marketing fees, to reflect a lower level of price support for milk marketed in excess of their normal marketing levels, thus stabilizing dairy farm income for milk marketed within normal marketing levels while reducing costs to the Government in supporting the price of milk marketed in excess of normal marketing levels and discouraging overexpansion in the production and marketing of milk, the Secretary is hereby authorized and directed, through the Commodity Credit Corporation and other means available to him, to carry out for the marketing years ending March 31, 1963 and 1964, a dairy income

improvement program as set forth in the following sections of this subtitle.

SURPLUS REDUCTION PAYMENTS

SEC. 333. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in the continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing years, ending March 31, 1963 and 1964, their marketings to a level not (i) less than 10 per centum, or (ii) more than the larger of 25 per centum, or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 334 of this Act for such quarterly marketing period or periods: *Provided,* That surplus reduction payments shall be made to a producer only with respect to the reduction in his marketings which are below the lower of (i) the producer's normal marketing level, or (ii) the level of marketings which the Secretary estimates would be marketed by the producer during the period covered by his agreement with Commodity Credit Corporation if he continued marketing at the rate of his marketings when he entered into the agreement, adjusted for seasonal variations: *And provided further,* That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect

reductions in excess of 10 per centum of the total normal marketing levels for the marketing year established for producers within any one dairy district. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Commodity Credit Corporation may utilize surplus marketing fees paid to it under this Act, together with any other funds available to it for the purpose of price support, for the making of surplus reduction payments pursuant to such agreements. Such payments (1) shall not exceed $2.80 per hundredweight of milk, basis 3.82 per centum butterfat content, or exceed such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, and (ii) shall be less than the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by such agreement shall be entitled to the surplus reduction payment on the quantity by which he actually reduced his marketings, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secre-

tary determines necessary to effectuate the purposes of the dairy income improvement program.

NORMAL MARKETING LEVEL

SEC. 334. If producers by referendum approve of the institution of a program as provided in this subtitle, the Secretary shall establish a normal marketing level for the marketing years ending March 31, 1963 and 1964, for each producer in the continental United States, excluding Alaska, who on the effective date of this Act was engaged in the production of milk for market. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milk fat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle, which the producer or his predecessor disposed of in commercial channels during the marketing year 1961–1962: *Provided, however,* That in no event shall a normal marketing level be established for less than fifteen thousand pounds of milk. The Secretary shall make such adjustments in a normal marketing level established hereunder as he deems necessary for abnormal conditions affecting production or marketing including but not limited to flood, drought, disease of herd, personal health, and the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for

the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 335. The Secretary shall prescribe such conversion factors as he determines necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, or other dairy products.

SEC. 336. The quantity of milk reduced by a producer pursuant to his agreement under this subtitle shall be considered as having been produced and marketed by him for the purpose of determining his production of marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such base for the disposition in commercial channels of milk, butterfat, or dairy products, produced in the same State as that in which the transferor engaged in production,

or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level. The Secretary may utilize funds available for purchase or loans on dairy products under the price support program to purchase and cancel bases at a price not exceeding the amount of surplus reduction payments which Commodity Credit Corporation would make for an equal reduction in marketings.

PRODUCER REFERENDUM AND PRICE SUPPORT LEVELS

SEC. 337. Not later than February 1, 1963, the Secretary shall conduct a referendum, by secret ballot, of producers who during the marketing year 1961–1962 marketed not less than fifteen thousand pounds of milk to determine whether producers approve the institution of a dairy income improvement program for the marketing years ending March 31, 1963 and 1964. Producers shall be deemed to approve such a program if the Secretary determines that two-thirds of the producers who voted in the referendum or that producers who voted in such referendum and who marketed not less than two-thirds of the total quantity of milk which was marketed during the marketing year ending March 31, 1962, by all producers who voted in such referendum approve the institution of a dairy income improvement pro-

gram. If producers approve a dairy income improvement program, the level of price support during such marketing years for milk and the products of milk shall, notwithstanding any other provision of the law be at 90 per centum of the parity price therefor as of the beginning of the marketing year. If producers do not approve a dairy income improvement program, the level of price support for milk and the products of milk, notwithstanding any other provision of law, shall be at a level not less than 75 per centum of the parity price therefor as of the beginning of the marketing year.

SEC. 338. Whenever normal marketing levels are established under this Act, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price

there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shal be subject to the same procedural requirements of the Act as other provisions under section 8c.

SURPLUS MARKETING FEES

SEC. 339. (a) The marketing of milk in the continental United States, excluding Alaska, either in the form of whole milk or of a product of whole milk during any quarterly marketing period of the marketing years ending March 31, 1963 and 1964, by a producer in excess of his normal marketing level for such marketing period, or by a producer who has no normal marketing level if normal marketing levels are established pursuant to this subtitle, shall be subject to a sur-

plus marketing fee at a rate equal to the rate of the surplus reduction payment for similar milk established pursuant to section 333 of this subtitle: *Provided, however,* That no marketing fee shall be due on any milk or product thereof marketed during a quarterly marketing period commencing before the effective date of this Act.

(b) The surplus marketing fee shall be paid to the Commodity Credit Corporation by the first processor who acquires milk or milk products from a producer in excess of the producer's normal marketing level, but an amount equivalent to the surplus marketing fee shall be deducted from the price paid by the first processor to the producer: *Provided,* That in case any milk or milk product is marketed directly by the producer to any person outside the United States the surplus marketing fee shall be paid and remitted by the producer. For the purpose of this section, a first processor who is also a milk producer shall be deemed to have acquired that portion of his production which he markets in excess of his normal marketing level. Such surplus marketing fee shall become due and payable within fifteen days following the marketing period in which the first processor receives from any producer milk or dairy products in excess of his normal marketing level or at the end of such other period of time as the Secretary may prescribe. The first processor and the producer shall be jointly and severally liable

for any default in the payment of the surplus marketing fee and for interest thereon at the rate of 6 per centum per annum from the date such fee becomes due until the date of payment thereof except that the producer shall not be liable for any such default if the amount of the fee was deducted by the first processor from the price paid to the producer.

(c) The Commodity Credit Corporation shall refund to persons determined by the Secretary to be entitled thereto the amount of surplus marketing fees determined by the Secretary to have been erroneously paid to Commodity Credit Corporation.

(d) In case any person who is entitled to a surplus reduction payment or a refund of surplus marketing fee dies becomes incompetent, or disappears before receiving such payment or refund or is succeeded in law by another, the payment or refund shall, without regard to other provisions of law, be made as the Secretary may determine to be fair and reasonable in all circumstances. The basis for, the amount of, and the persons entitled to receive a surplus reduction payment or a refund of a surplus marketing fee from Commodity Credit Corporation, when determined in accordance with regulations prescribed by the Secretary, and the amount of any surplus marketing fee established by the Secretary, shall be final and conclusive.

REVIEW AND USE OF COMMITTEES

SEC. 340. The normal marketing level established for a producer shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in the county in which such producer resides and in the county or counties in which his dairy herd or herds are maintained. In establishing and apportioning marketing levels, the Secretary may utilize the services of local county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act and of agencies established to administer milk marketing orders issued under the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended. Notice of the normal marketing level shall be mailed to each producer as soon as practicable after its determination. Any producer who is dissatisfied with his normal marketing level may, within fifteen days after the date of mailing to him of the notice thereof, have such normal marketing level reviewed by a local review committee in accordance with standards prescribed by the Secretary. Such review committee shall be composed of three producers, appointed by the Secretary, from one or more of the counties in which the producer maintains his dairy herd or herds or counties adjacent thereto. Such committee shall not include any member of any other committee which determined the normal

marketing level for such producer. Unless application for review is made within such period the original determination of the normal marketing level shall be final and conclusive.

MISCELLANEOUS

SEC. 341. The provisions of section 364 (relating to review committee), section 365 (relating to the institution of proceedings), section 366 (relating to court review), and section 367 (relating to stay proceedings and exclusive jurisdiction) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1364–1367), shall be applicable to reviews and proceedings under this subtitle. The provisions of subsections (a) and (b) of section 373 of the Agricultural Adjustment Act of 1938, as amended, relating to reports and records of processors and farmers shall be applicable to each first processor and to each producer, respectively, under this subtitle. The provisions of section 388 (relating to utilization of local agencies) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1388), shall be applicable in the administration of this subtitle. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this subtitle. If and when the Secretary shall so request, it shall be the duty of the several district attorneys, under direction of the Attorney General, to institute proceedings to collect surplus marketing fees provided in this subtitle. The remedies and surplus

marketing fees provided for herein shall be in addition to and not exclusive of any other remedy under law.

SEC. 342. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle, except section 338 hereof, shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Proposed by Mr. PROXMIRE (for himself and Mr. HUMPHREY), to the bill (S. 3225), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 21, 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 22, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MCCARTHY (for himself, Mr. HUMPHREY, and Mr. METCALF) to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 4, between lines 25 and 26, insert the following:

(6) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(g) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota,

and Minnesota to provide financial or technical assistance for wetland drainage on a farm under authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within ninety days after the filing of the application for drainage assistance: *Provided*, That the limitation against offering such financial and technical assistance shall terminate (1) one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource, (2) five years in any event after the date on which such adverse finding was filed, and (3) immediately upon any change in ownership of the land with respect to which such adverse finding was filed. The provisions of this subsection shall become effective July 1, 1962."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. MCCARTHY (for himself, Mr. HUMPHREY, and Mr. METCALF), to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 22, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 22, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. EASTLAND to the amendments lettered 5–21–62——A intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 12, line 11, strike out "SMALL FARM EXEMPTION" and insert in lieu thereof "EXEMPTIONS".

On page 12, line 12, insert "(1)" immediately after "SEC. 360f.".

On page 13, between lines 3 and 4, insert the following:

"(2) Notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:

"(A) that none of such crop of feed grains is removed from such farm;

"(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and

"(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered

in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph.

On page 19, line 15, strike out the period after the word "section", insert in lieu thereof a comma and the following: "or (iii) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. EASTLAND to the amendments lettered 5–21–62—A intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 22, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 22, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PROXMIRE to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 17, line 15, strike out the quotation marks.

On page 17, between lines 15 and 16, insert the following:

"(4) Notwithstanding any other provision of law, the Secretary may require producers of corn, grain sorghums, or barley, as a condition of eligibility for any

benefit under this or any other law administered by the Secretary, to participate in the special agricultural conservation program under this subsection to the extent prescribed by him (except that a producer of malting barley, or a producer of barley on a summer fallow farm, as described in section 105 (c) (6) of the Agricultural Act of 1949 shall not be so required to participate in the special agricultural conservation program for barley)."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. PROXMIRE to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 22, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 22, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the amendments lettered 5–21–62——A intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 13, beginning with the new sentence in line 17, strike out all down through line 4 on page 14, and insert in lieu thereof the following:

"Notwithstanding any other provision of law, whenever a referendum is conducted pursuant to the provisions of the

first paragraph of this section for the purpose of determining whether farmers favor or oppose marketing quotas for feed grains, the Secretary shall at the same time conduct referendums to determine whether farmers favor or oppose marketing quotas for wheat and cotton. The eligibility requirements for voting shall be determined in the case of feed grains by the provisions of the first paragraph of this section, in the case of wheat by the provisions of part III of subtitle B of this title, and in the case of cotton by the provisions of part IV of subtitle B of this title.

"Whenever referendums for feed grains, wheat, and cotton are conducted at the same time as provided herein, any farmer eligible to vote in more than one such referendum shall only be permitted to vote in favor of marketing quotas for all commodities with respect to which he is eligible to vote or against marketing quotas for all commodities with respect to which he is eligible to vote.

"In determining the results of a referendum conducted under this section, the votes cast in favor of or against marketing quotas in the case of feed grains, wheat, and cotton, respectively, shall be counted separately.

"The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in any of the referen-

dums conducted voted against marketing quotas for the commodity concerned, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop or crops of that commodity with respect to which the referendum was applicable. If the Secretary determines that, in the case of the feed grain referendum, two-thirds or more of the farmers voting approve marketing quotas for a period of two or three marketing years, no referendum with respect to feed grains shall be held for the subsequent year or years of such period.

"If the Secretary determines that the date prescribed in the first paragraph of this section is too early or too late to conduct simultaneous referendums as provided herein, he may advance or delay the conducting of such referendums by publication of the change of date in the Federal Register."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the amendments lettered 5–21–62——A intended to be proposed by Mr. ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 22, 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MORTON to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 42, line 18, insert the following: strike out "(1)."

On page 43, lines 3 through 12, change the comma after "subtitle" in line 3 to a period; strike out the remainder of the sentence and all of the next sentence, and insert in lieu thereof the following: The national wheat allocation shall be

apportioned among the various classes of wheat, namely, Hard Red Winter wheat, Hard Red Spring wheat, Soft Red Winter wheat, White wheat, and Durum wheat, and distributed to farms on the basis of farm acreage allotments, the percentage of the wheat acreage on each farm that is normally devoted to the production of each class of wheat and normal yields as determined by the Secretary.

87TH CONGRESS
2D SESSION

S. 3225

Calendar No. 1333

AMENDMENTS

Intended to be proposed by Mr. MORTON to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 66, line 20, strike out the word "and".

On page 66, line 23, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 66, between lines 23 and 24, insert the following:

"(5) By adding at the end thereof a new section as follows:

"'SEC. 343. As used in this title (1) the term "farmers" shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term "farming" shall be deemed to include fish farming.'"

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 42, line 24, strike out "exports" and insert "commercial exports for dollars".

On page 46, line 20, after the word "wheat" insert "on a commercial basis for dollars".

5-23-62——C

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 14, beginning with the word "*Provided,*" on line 3, strike out all through the word "Secretary" on line 6 and insert the following: "*Provided,* That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made

available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to the conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 59, beginning with the word "*Provided*" on line 21, strike out all through line 25, and insert the following: "*Provided*, That the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and

flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the provisions of subsection (b) (4) of this section."

On page 61, line 13, strike out the words "or sesame" and insert the following: "sesame, other annual field crops for which price support is not made available, or flax, payment for which shall be computed in accordance with subsection (b) (4) of this section."

On page 62, between lines 5 and 6, insert the following new subsection:

"(4) Payment with respect to diverted acreage devoted to castor beans, guar, safflower, sunflower, sesame, other annual field crops for which price support is not made available, or flax, in accordance with the proviso of subsection (a) (2) of this section, shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 26, between lines 7 and 8, insert the following:

(6) By striking out "ten" wherever it appears in subsections (a) and (b) thereof and by inserting in lieu thereof "five".

5-23-62——F

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 35, between lines 5 and 6, insert the following:

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if

permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Renumber the remaining subsections accordingly.



Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 32, strike out lines 14 through 16 and insert in lieu thereof the following:

"(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing

thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 15, line 4, beginning with "Such" strike out all down through the period in line 8, and insert in lieu thereof the following: "Such special agricultural conservation program shall require the producer to carry out on diverted acres such conservation practices as will preserve

and maintain the land free from erosion, weeds, insects, and rodents."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 14, line 3, strike out the colon, insert in lieu thereof a period and the following: "Summer-fallow or idle land shall not be considered an approved conservation use in areas or on farms that did not use such practices in 1959 and 1960:".

5-23-62——J

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment designated 5–21–62—A to be proposed by Senator ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 8, line 1, strike out "(1)".

On page 8, beginning in line 2 with the comma, strike out through the comma in line 4.

On page 27, line 9, after "barley", insert a comma and

the following: "excluding any such grains harvested for silage".

On page 27, beginning in line 12 with the comma, strike out through line 20.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment designated 5-21-62—A to be proposed by Senator ELLENDER to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment to be proposed by Mr. ELLENDER designated as 5–21–62—A to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 23, between lines 18 and 19, insert the following:

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which

price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at the rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Renumber the remaining subsections accordingly.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment to be proposed by Mr. ELLENDER designated as 5–21–62—A to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962
Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment proposed by Mr. ELLENDER, designated as 5–21–62—A, to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 20, line 24, strike out all through line 2, on page 21, and insert the following:

"(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit graz-

ing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing."

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the amendment proposed by Mr. ELLENDER designated as 5-21-62—A, to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 69, between lines 16 and 17, insert a new section as follows:

SEC. 405. (a) The Secretary of Agriculture is authorized and directed to make a determination annually of the amount of food and fiber needed in the next succeeding year to meet the domestic requirements of the United States, including amounts necessary to meet the requirements of—

(1) the national school lunch program (carried out under the National School Lunch Act) and the special milk program for children (carried out under the Act of July 1, 1958 (72 Stat. 276));

(2) food allotment programs under which the nutritional needs of low-income persons, the unemployed, the aged, and the handicapped will be more adequately fulfilled; and

(3) a national security reserve of food and fiber products designed to protect people of the United States against shortages of such products in the event of war or other national emergency.

(b) The Secretary shall also make a determination annually of the amount of food and fiber needed by the United States in the next succeeding year to meet its obligations under the food-for-peace program (carried out under Public Law 480, Eighty-third Congress), the freedom-from-hunger program (administered by the Food and Agricultural Organization of the United Nations), and other similar programs in which the United States participates in order to aid the needy peoples of foreign nations.

(c) The Secretary shall submit the annual determina-

tions made by him pursuant to subsections (a) and (b) of this section to the Congress not later than February 1 of each year together with an analysis of such determinations and with any recommendations he may deem appropriate.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 23, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Proposed by Mr. KEATING (for himself, Mr. SCOTT, Mr. JAVITS, and Mr. CASE of New Jersey) to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 8, line 20, insert the following:

"SEC. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race."

5-23-62——P

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Proposed by Mr. KEATING (for himself, Mr. SCOTT, Mr. JAVITS, and Mr. CASE of New Jersey), to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 23, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 24, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CURTIS to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

On page 75, after line 15, insert the following:

"(g) Enter into contracts with persons, corporations, and associations under which the agency shall agree (1) to sell grains owned by the Commodity Credit Corporation for use in the manufacturing or processing of commercial products, other than products intended for human or animal

consumption, at such prices the agency deems appropriate, without regard to the restrictions contained in section 407 of the Agricultural Act of 1949, as amended, and (2) to deliver such grains over such periods, not to exceed five years, as may be necessary to assure the purchasers of a continuing supply of such commodities;".

Reletter the subsequent paragraphs of the section.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENTS

Intended to be proposed by Mr. CURTIS to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 24, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 24, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 69, after line 16, insert the following:

SEC. 405. The President is hereby authorized and directed to appoint a bipartisan Commission composed of a Chairman and eight other members, three of whom shall be appointed from the agricultural community, three of whom shall be appointed from the public, and three of whom shall

be appointed from Government. Such Commission shall make a study with respect to the amount of food and fiber needed to meet domestic and export requirements, including programs in which the United States participates in order to aid the needy peoples of foreign nations, the management of supplies in the national interest and in the interest of the free people of all nations, and the need for strategic reserves of such commodities, and shall report within twelve months from the date of this Act its recommendations with respect thereto. The President is authorized, whenever he determines such action necessary, to pay for each day's attendance at meetings and while traveling to and from such meetings, transportation expenses and, in lieu of subsistence, a per diem in the amount authorized under the Travel Expense Act of 1949 for Federal employees. No salary or other compensation shall be paid. There are hereby authorized to be appropriated such amounts as may be necessary to enable the President to carry out this section.



Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 24, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 24, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MCCARTHY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 66, between lines 6 and 7, insert the following:

SUBTITLE C—DAIRY SURPLUS REDUCTION

SEC. 330. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

5-24-62——E

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 331. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this pur-

pose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 332. The Secretary shall establish a normal mar-

keting level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the

marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 333. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 334. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 335. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 331, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

SEC. 336. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 337. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such

provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 338. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the

Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. McCARTHY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 24, 1962

Ordered to lie on the table and to be printed

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 24, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 69, after line 16, insert the following:

SEC. 405. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended,

except that this provision shall not apply to feed grains if marketing quotas are not in effect for the crop of feed grains. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

Calendar No. 1333

87TH CONGRESS
2D SESSION

S. 3225

AMENDMENT

Intended to be proposed by Mr. HUMPHREY to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

MAY 24, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, viz:

On page 6, between lines 9 and 10, insert the following:

"(e) In furnishing assistance under this title, consistently with and for the purposes of section 601 (b) (4) of this Act—

"(1) the Agency for International Development or any other departments and agencies designated by the President shall provide such financial and administrative assistance as may be determined by the President to be necessary from time to time in order to make effective the efforts of the Commerce Committee for the

Alliance for Progress, established under the Department of Commerce on May 9, 1962;

"(2) the President is requested to call a conference to be held in 1962 for Private Enterprise-Public Cooperation for Latin American Development, inviting private and governmental participation as he may deem advisable from the members of the Organization for Economic Cooperation and Development, the Organization of American States, and Japan, and to direct the appropriate departments and agencies of the Government to cooperate with the Commerce Committee for the Alliance for Progress and the United States Management Advisory Group to the Organization for Economic Cooperation and Development, established under the Department of Commerce, in the preparation and activities of such a conference; and

"(3) the President is requested to encourage private local, county, and regional projects for managerial and technical training in Latin America as well as for agricultural, industrial, and other economic purposes.

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself, Mr. BUSH, Mr. CLARK, Mr. DOUGLAS, Mr. KEATING, Mr. KUCHEL, Mr. MORSE, and Mr. SCOTT) to the bill (S. 2996) to amend the Foreign Assistance Act of 1961, as amended, and for other purposes, viz: At the proper place in the bill, insert the following:

SEC. 101. Section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting the following sentence in the fifth paragraph after the word "religion": "It is further the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens

generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine. The Secretary of State shall report annually on the measures taken to apply the principles stated above."

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself, Mr. BUSH, Mr. CLARK, Mr. DOUGLAS, Mr. KEATING, Mr. KUCHEL, Mr. MORSE, and Mr. SCOTT) to the bill (S. 2996) to amend the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, viz:

On page 11 strike out the period at the end of line 19 and add the following: "and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection."

6-5-62——C

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, viz:

On page 11, after line 24, insert the following new subsection:

"(g) No other provisions of this Act shall be construed to authorize the President to waive the provision of law."

6-5-62——D

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CHURCH to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, viz: At the proper place insert the following:

Section 506 of chapter 2, part II, of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended by adding a new subsection (c) as follows:

"(c) The President shall regularly reduce, and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate, all further grants of military equipment and supplies to any country having sufficient wealth to enable

it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy."

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENT

Intended to be proposed by Mr. CHURCH to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. KEATING to the bill (S. 2996), to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, viz:

On page 1, line 8, after "SEC. 101", insert the following: "(a)".

On page 2, between lines 4 and 5, insert the following:

"(b) Such section is further amended by inserting after the seventh paragraph the following:

"'It is the sense of Congress that clear priorities should be established among the countries receiving assistance under this Act and that any requests for appropriations to carry out programs of assistance under this Act should be accompanied by information with respect to the priorities assigned for the fiscal year for which appropriations are requested.

6-5-62——F

" 'It is further the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which concentrate their own resources on economic development rather than on Communist-supported military or propaganda efforts directed against the United States or against other countries receiving assistance under this Act.' "

Calendar No. 1495

87TH CONGRESS
2D SESSION

S. 2996

AMENDMENTS

Intended to be proposed by Mr. KEATING to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

JUNE 5, 1962

Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 48, beginning with line 20, strike out all down through line 22, and insert in lieu thereof the following:

SEC. 301. Section 105 of the Agricultural Act of 1949 is amended by striking out of subsection (a) the figure "90" and inserting "80" and by striking out the colon and the proviso thereof and by adding at the end of subsection (c) the following new paragraphs (5) and (6):

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 3, 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 16 (legislative day, AUGUST 15), 1962
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MCCARTHY (for himself and Mr. HUMPHREY) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 91, between lines 7 and 8, insert the following:

SUBTITLE C—DAIRY

SEC. 326. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies

of milk and other dairy products during the period ending March 31, 1964.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending March 31, 1964, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending March 31, 1964, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 327. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods starting on or after October 1, 1962, and ending March 31, 1964, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or fifteen thousand pounds of milk below their normal marketing levels established pursuant to section 328 of this Act of each such quarterly marketing period. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in

marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 328. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 327 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of

this subtitle which is the lower of (i) the producer's marketings during the marketing year ending March 31, 1962, or (ii) the Secretary's estimate of what would be marketed in a marketing year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961–62 marketings as he deems necessary for flood, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's prior marketing pattern, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 329. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining

the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 330. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 331. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 327, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

SEC. 332. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 333. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof shall in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to surplus reduction payments. For the purposes of this section a producer's normal marketing level shall be apportioned on

a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 334. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

SEC. 335. (a) Notwithstanding section 201 (c) of the Agricultural Act of 1949, as amended, the Secretary may, in carrying out the emergency dairy program authorized in this subtitle, establish price supports for milk and butterfat at such level between 70 and 75 per centum of the parity price therefor as he deems appropriate.

(b) The authority granted by the provisions of subsection (a) of this section shall become effective on April 1, 1963.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. MCCARTHY (for himself and Mr. HUMPHREY) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 16 (legislative day, AUGUST 15), 1962

Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 52, line 19, immediately after the word "from" insert "erosion,".

On page 72, between lines 8 and 9, insert "including provision for the control of erosion, insects, weeds, and rodents,".

8-17-62——F

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agriculture commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 52, line 19, after the word "from" insert "erosion,".

On page 72, between lines 8 and 9, insert the following: "including provision for the control of erosion,".

8-17-62——G

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 94, between lines 17 and 18, insert the following new section:

SEC. 405. (a) In order to assure the Nation of an adequate supply of milk free of contamination by radioactive fallout, the Secretary of Agriculture is authorized to reimburse producers of milk in any area or areas of the United States for reasonable costs incurred by them in carrying out

countermeasures approved by him to prevent or reduce the contamination of milk from such fallout.

(b) The Secretary is authorized to promulgate such rules and regulations as he deems appropriate to effectuate the purposes of this section.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 56, between lines 3 and 4, insert the first alternate program—sections 310 through 325.

On page 66, between lines 21 and 22, insert the following:

"(b) In the referendum held pursuant to subsection (a) of this section on the national marketing quota pro-

claimed for the 1963 crop of wheat, the Secretary shall also submit the question whether farmers favor a two-year extension of the program in effect for the 1962 crop of wheat in lieu of the program for wheat provided by sections 310 through 325 of the Food and Agriculture Act of 1962. If a majority of the farmers voting on such question favor such two-year extension, (1) the provisions of sections 310 through 325 of the Food and Agriculture Act of 1962 shall thereupon become inoperative, (2) the provisions of sections 326 through 329 of such Act shall be in effect for the 1963 and 1964 crops, and (3) the provisions of law in effect without regard to the amendments contained in such Act shall be in effect for the 1965 and subsequent crops of wheat."

On page 91, between lines 7 and 8, insert the second alternate program—sections 326 through 329 as follows:

"SEC. 326. (a) If a majority of the farmers voting on the question submitted pursuant to section 336(b) of the Agricultural Adjustment Act of 1938, as amended, added by section 316 of this Act, favor a two-year extension of the program in effect for the 1962 crop of wheat, the provisions of sections 326 through 329 of this Act shall be in effect in lieu of the provisions of sections 310 through 325.

"(b) Section 334(c) of the Agricultural Adjustment

Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"'(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 and 1964 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum.'

"SEC. 327. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1963 and 1964 crops of wheat:

"'(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed

therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment.'

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 and 1964 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

"(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 and 1964 crops of wheat:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so

computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States for friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"'(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted

to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962, 1963, and 1964 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.'

"(e) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: 'Notwithstanding any other provision hereof, (1) if the Secretary determines that two-thirds or more of the farmers voting in the referendum on marketing quotas held pursuant to section 336 (a) of this Act, as amended by section 416 of the Food and Agriculture Act of 1962, approve marketing quotas for the 1963 crop of wheat, marketing quotas shall be in effect for the 1963 crop of wheat, and (2) farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1964.'

"SEC. 328. Price support for the 1963 and 1964 crops of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that

price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

"SEC. 329. (a) If marketing quotas are in effect for the 1963 or 1964 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

"(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

"(2) Such diverted acreage shall be devoted to conser-

vation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents: *Provided,* That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

"(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to

give effect to the provisions of law relating to release and reapportionment or preservation of history.

"(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

"(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

"(2) The Secretary may make such adjustments in

yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

"(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

"(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided,* That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest

actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

"(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a) : *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

"(A) the farm acreage allotment for the crop of

wheat which would be in effect except for the reduction thereof as provided in section 334 (c) (3) of the Agricultural Adjustment Act of 1938, as amended;

"(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

"(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

"(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

"(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

"(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those

specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

"(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary to pay such administrative expenses.

"(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended—

"(1) by striking out 'after reduction in the case of the 1962 crop as required by section 334(c)(2)' and inserting the following: 'after reduction as required by section 334(c) (2) or (3)', and

"(2) by striking out 'the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961' and inserting the following: 'the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962'.

"(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended—

"(1) by inserting the following sentence immediately following the seventh sentence thereof: 'The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection.'; and

"(2) by striking out of the last sentence the following: 'or 1963'.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 94, between lines 17 and 18, insert the following new section:

SEC. 405. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "Notwithstanding the foregoing, whenever the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination

by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest."

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TOWER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: Strike all after the enacting clause and insert the following:

That in order that the farmers of this country may carry on their farming operations in the tradition of the free enterprise system unhampered by needless Federal controls, the Secretary of Agriculture is hereby authorized and directed to formulate and submit to the Congress, within one hundred

and twenty days after the date of enactment of this Act, proposals for legislation the aim and effect of which will be to (1) increase the acreage allotments and marketing quotas annually on all agricultural commodities subject to such controls until such controls have been removed entirely, and (2) reduce the levels of price support annually on all agricultural commodities for which such support is provided until such support has been removed entirely. The period of time within which all acreage allotments, marketing quotas, and price support shall be terminated under any proposals for legislation submitted by the Secretary to the Congress shall be not more than six years nor less than four years from the date of enactment of this Act.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. TOWER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 20, 1962

Ordered to lie on the table and to be printed

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

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AMENDMENT

Intended to be proposed by Mr. TOWER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: Strike all after the enacting clause and insert the following:

That in order that the farmers of this country may carry on their farming operations in the tradition of the free enterprise system unhampered by needless Federal controls, the Secretary of Agriculture is hereby authorized and directed to formulate and submit to the Congress, within one hundred

and twenty days after the date of enactment of this Act, proposals for legislation the aim and effect of which will be to (1) increase the acreage allotments and marketing quotas annually on all agricultural commodities subject to such controls until such controls have been removed entirely, and (2) reduce the levels of price support annually on all agricultural commodities for which such support is provided until such support has been removed entirely. The period of time within which all acreage allotments, marketing quotas, and price support shall be terminated under any proposals for legislation submitted by the Secretary to the Congress shall be not more than six years nor less than four years from the date of enactment of this Act.

APR 1931

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. TOWER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

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87TH CONGRESS
2D SESSION

H. R. 12391

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AMENDMENTS

Intended to be proposed by Mr. FULBRIGHT to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 91, line 21, strike out the word "and".

On page 91, line 24, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 91, between lines 24 and 25, insert the following:

"(5) By adding at the end thereof a new section as follows:

"'SEC. 343. As used in this title (1) the term "farmers" shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term "farming" shall be deemed to include fish farming.'"

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENTS

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AUGUST 20, 1962

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

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AMENDMENT

Intended to be proposed by Mr. RUSSELL (for himself and Mr. TALMADGE) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 91, between lines 7 and 8, insert the following new subtitle:

SUBTITLE C—1963 ACREAGE DIVERSION PROGRAM FOR COTTON

SEC. 330. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is further amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963 for cotton acreage, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who voluntarily divert acreage from the production of cotton to an approved conservation use. In order to be eligible for a payment, a producer must (A) voluntarily withhold from the production of cotton a portion of the 1963 cotton acreage allotment for the farm, (B) remain within the 1963 cotton acreage allotment for the farm, reduced by the amount of the acreage withheld from production under this subsection, (C) devote the acreage withheld from production under this subsection to such soil conserving practices as may be approved by the Secretary, and (D) increase the average acreage of cropland on the farm devoted in 1959 and 1960 to designated soil conserving crops or practices (including idle land) by an equal amount. The producer may, within the limitations prescribed herein, divert from production such portion of the 1963 cotton acreage allotment for the farm as

he may choose (acreage withheld from the production of cotton shall hereinafter be referred to as "diverted acreage"). Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in cotton under such conservation program shall be an acreage equivalent up to 20 per centum of the cotton acreage allotment for the farm in 1963 or up to twenty acres, whichever is greater. Such payments in cash or in cotton at the basic county support rate for the 1962 crop in effect at the time payment rates for the 1963 special cotton program are established, adjusted to reflect any changes between the national support rates for 1962 and 1963 crops, may be made on an amount of cotton not in excess of 50 per centum of the normal production of the acreage diverted from the production of cotton on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in cotton only may be made by the Secretary for the diversion of up to an additional 20 per centum of the 1963 cotton acreage allotment for the farm. Payments in cotton on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at

the time payment rates for the special cotton program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of cotton not in excess of 60 per centum of the normal production of acreage diverted from the production of cotton on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. In determining the payment-in-kind under this subsection in the case of any farm, the Secretary may make such adjustments as he deems appropriate to allow for differences in the quality of cotton ordinarily produced in the county in which such farm is located.

"(2) There are hereby authorized to be appropri-

ated such amounts as may be necessary to enable the Secretary to carry out this section 16(h). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 331 of the Food and Agriculture Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(4) No producer shall be eligible for payments under this subsection for diverting from production any cotton acreage received by such producer in 1963 under the release and reapportionment provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended."

SEC. 331. (a) Payments in cash shall be made by the Commodity Credit Corporation and payments in cotton shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for cotton and, notwithstanding any other provision of law, the Com-

modity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the 1963 acreage diversion program for cotton authorized by this subtitle. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

(b) Cotton received as payment-in-kind under the 1963 acreage diversion program for cotton, authorized under this subtitle, may be marketed without penalty but shall not be eligible for price support.

SEC. 332. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the 1963 acreage diversion program for cotton, authorized by this subtitle, as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of cotton.

SEC. 333. Any acreage diverted from the production of cotton under the 1963 acreage reserve program for cotton,

authorized by this subtitle, shall be regarded for the purposes of establishing future allotments as having been planted on the farm from which such acreage was diverted.

SEC. 334. The provisions of this subtitle C shall be ineffective if marketing quotas for cotton are not in effect for the crop of cotton normally harvested in 1963.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. RUSSELL (for himself and Mr. TALMADGE) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 20, 1962

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

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AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 49, beginning in line 1 after the period, strike out all through line 5.

8-20-62——D

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 20, 1962

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

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AMENDMENTS

Intended to be proposed by Mr. HART to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz:

On page 94, between lines 12 and 13, insert the following:

"SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at

the end of (I) thereof and inserting in lieu thereof the following: ': *Provided*, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising.' "

On page 94, line 13, strike out "404" and insert in lieu thereof "405".

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENTS

Intended to be proposed by Mr. HART to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 20, 1962

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

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AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 56, between lines 2 and 3, insert the following new section:

SEC. 305. (a) The Agricultural Act of 1949, as amended, is amended by striking out subsections (a) and (b) of section 105 and inserting in lieu thereof the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such

level, not to exceed 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn."

(b) The Secretary of Agriculture is directed to consult and advise with farmers, farm organizations, and such other persons or groups of persons as he determines concerning the need for new legislation for feed grains, to the extent he deems such consultation and advice necessary or desirable, and to make specific recommendations for feed grains in the form of proposed legislation which shall be submitted to the Congress as soon as practicable during the next session of Congress.

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

AUGUST 20, 1962

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Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1962

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AMENDMENT

Intended to be proposed by Mr. KEATING (for himself, Mr. JAVITS, Mr. SCOTT, Mr. CASE, and Mr. SALTONSTALL) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, viz: On page 46, line 11, insert the following:

SEC. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race.

8-20-62——G

Calendar No. 1746

87TH CONGRESS
2D SESSION

H. R. 12391

AMENDMENT

Intended to be proposed by Mr. KEATING (for himself, Mr. JAVITS, Mr. SCOTT, Mr. CASE, and Mr. SALTONSTALL) to the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

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